



공급망 지속가능성 관리 정책

Supply Chain Sustainability Management Policy

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Responsible Document	(Primary) Communication Team (Secondary) Sourcing Team



Supply Chain Sustainability Management Policy

Chapter 1 Overview

Article 1 (Purpose)

F&F Holdings Co., Ltd. (hereinafter referred to as the "Company") has established this policy to identify, prevent, and mitigate ESG risks that may arise across its supply chain. By identifying major risk factors in the supply chain and preparing response measures, the Company aims not only to strengthen its supply chain capabilities but also to establish a mutual growth framework with its partners, pursuing sustainable business development. Furthermore, the Company strives to minimize negative environmental impacts starting from raw material procurement and is committed to producing and supplying sustainable products.

Article 2 (Scope of Application)

This policy applies to all business sites and employees of the Company, both domestic and international. All partners and stakeholders involved in direct or indirect business transactions with the Company are recommended to comply with this policy.

Article 3 (Review Cycle)

The policy shall be reviewed and revised as necessary, reflecting domestic laws, international guidelines, stakeholder opinions, societal changes, and other factors.

Chapter 2 Management System

Article 4 (Sustainable Supply Chain)

The Company is committed to building a sustainable supply chain ecosystem based on an integrated supply chain management system. All partners and stakeholders are encouraged to adhere to this policy and the Company's Supplier Code of Conduct and take into account human rights and labor, safety and health, environment, and corporate ethics when conducting business activities related to the Company.

Article 5 (Organizational Structure)

The ESG Committee, operating under the Board of Directors, deliberates on important supply chain ESG issues and oversees the implementation of the supplier ESG program. In addition, each brand's dedicated sourcing team, responsible for managing supply chain partners, carries out their duties based on with this policy and the Supplier Code of Conduct.

Article 6 (Risk Management System)

To foster a stable and responsible supply chain ecosystem, the Company categorizes potential risks that may arise in the fashion industry by type and conducts annual ESG evaluation of the supply chain based on these categories. Based on the evaluation results, the Company divides its partners into stages for targeted management, formulates and implements various measures to mitigate risks.

Article 7 (Risk Assessment Indicators)

The Company establishes "Supply Chain ESG Risk Assessment Indicators," reflecting its industry-specific characteristics, to diagnose supply chain risks, thereby managing actual ESG risks of its partners. These indicators encompass the areas of environment, safety and health, labor and human rights, and ESG management.

Moreover, the Company continually improves and develops the diagnostic indicators to ensure ESG risks within the supply chain do not translate into business risks for the Company.

Environment	Safety and Health	Labor and Human Rights	ESG Management
<ul style="list-style-type: none"> - Environmental management system - Energy and greenhouse gases - Water resources - Hazardous materials 	<ul style="list-style-type: none"> - Safety and health management system - Emergency response - Accident and disaster management - Safety inspections 	<ul style="list-style-type: none"> - Human resources management - Wages and benefits - Working hours - Prohibition of child labor - Humanitarian treatment 	<ul style="list-style-type: none"> - ESG information disclosure - ESG information management - ESG-related certifications

Article 8 (Risk Diagnosis and Process)

To evaluate the adequacy of risk management diagnoses obtained from the risk management system, the Company establishes and implements the following process for supply chain partners:

Plan the audit	Identify high-risk and key partners based on supply chain ESG evaluation results, then develop detailed audit plans
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Perform the audit (high-risk/key partners)	Conduct on-site audits targeting high-risk and key partners to identify potential risks
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Prevention and mitigation measures	Implement immediate measures to mitigate and prevent risks identified during the on-site audits
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Monitor the results	Continuously monitor the effectiveness and appropriateness of the implemented measures and identify areas for further improvement
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On-site audit results	Utilize on-site audit results to improve and advance supply chain management strategies
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Evaluate effectiveness	Assess the effectiveness of on-site audit activities, identify areas for improvement in future audit processes, and incorporate necessary changes

Article 9 (Key Focus Areas)

The Company encourages its supply chain partners to minimize environmental impacts from raw material procurement and to contribute to securing sustainable product manufacturing, supply, and a healthy supply chain ecosystem. In particular, the Company identifies key focus areas in conducting its fashion business, regulates them as follows, and manages them in accordance with international management standards.

① Hazardous Materials

Minimize the use of harmful substances during product production and supply, prioritizing safe substitutes that meet international standards. Conduct thorough inspections of finished products to detect any residual harmful substances, ensuring they do not pose risks to consumers. When the use of harmful substances is unavoidable, adhere strictly to safety guidelines and implement robust recovery and management measures to minimize environmental impacts post-use.

② Animal Welfare

Prioritize animal-derived raw materials produced under ethical farming practices and with consideration for animal welfare. Avoid the use of animal-derived raw materials obtained through unethical farming or handling practices.

③ Biodiversity

Minimize biodiversity loss and environmental impacts throughout the Company's business



operations, including the procurement of natural raw materials such as cotton and rubber, and avoid sourcing or procuring raw materials from areas globally or nationally recognized as critical for biodiversity conservation.

④ Labor and Human Rights

Encourage compliance with international labor standards and human rights principles in the production of the Company's products. Advocate for the protection of workers' fundamental rights, including the prohibition of discrimination, forced labor, and child labor, and recommend fair working conditions and wages.

⑤ Safety and Health

Advise supply chain partners to prioritize worker safety in accordance with international safety and health standards. Request the implementation of hazard prevention measures, emergency response plans, and regular safety inspections to maintain safe working environments.

[Supplementary Provision]

1. This declaration was approved by the ESG Committee and takes effect on November 8, 2024.