

## ■ California Transparency in Supply Chains Act (SB 657) and UK Modern Slavery Act of 2015

### ■ Statement From the Fast Retailing Group and Group Companies (Fast Retailing)

The Fast Retailing mission is to create truly great clothing with new and unique value, and to enable people all over the world to experience the joy, happiness and satisfaction of wearing such great clothes.

The concept of truly great clothing includes conducting ourselves in good faith, respecting human rights, and respecting the environment across all business activities. This statement is intended to communicate the steps that Fast Retailing has taken during the fiscal year ended August 31, 2018 in accordance with the California Transparency in Supply Chains Act (SB 657) and UK Modern Slavery Act of 2015. Fast Retailing is committed to taking action to eliminate slave labor and human trafficking from our supply chain and our own businesses.

### ■ The Fast Retailing Business and Supply Chain

Fast Retailing is an apparel manufacturing and retail group with global operations, mainly conducted through our UNIQLO casual wear brand. Nearly 90 percent of UNIQLO's manufacturing is conducted in China, Vietnam, Indonesia, Bangladesh, Turkey, and India - where our production offices are located. We strive to build strong relationships with production partners in each country to foster workplaces that protect the health and safety of workers, respecting human rights and other rights guaranteed by law for all people involved in the production of our raw materials and garments.

### ■ Policies to Prevent Forced Labor and Human Trafficking

We have published our commitment to safeguarding human rights in the supply chain in our Human Rights Policy and Supply Chain Policy.

#### Related Links

[PDF](#) Fast Retailing Group Human Rights Policy (144KB)

► [Supply Chain Policy](#)

In keeping with our mission, we perform continuous risk assessments of our supply chain to identify human trafficking, slave labor, or other human rights issues. To remain abreast of the latest knowledge and information related to these issues, we seek out the opinions of audit firms, consultants, and other industry experts. At the same time, we regularly review materials published by groups engaged in human rights issues.

We created the Code of Conduct for Production Partners to reflect our commitment to ethical business activities and principles of respect for human rights. This code of conduct prohibits the use of child labor, forced labor, human trafficking, oppression, or harassment. We also require all business partners comply with related laws and statutes. Our partner factories are obligated to honor this code of conduct, pledging their compliance.

In February 2019, Fast Retailing committed to Responsible Recruitment as defined by the Fair Labor Association (FLA) and the American Apparel & Footwear Association (AAFA) in October 2018. This means that Fast Retailing is committed to working with its global partner factories to create conditions so that:

- No workers pay for their jobs
- Workers retain control of their travel documents and have full freedom of movement
- All workers are informed of the basic terms of their employment before leaving home.

#### Related Links

► [American Apparel & Footwear Association](#)

### ■ Detailed Inspections and Audits

We engage outside auditing firms to assess whether partner factories are in compliance with our code of conduct. This code of conduct includes setting up a complaint processing system (hotlines, etc.) as a mandatory requirement. Audits are performed on both an announced and unannounced basis. We require factories to adopt improvement measures and take corrective action for any non-compliant issues as determined by an audit. Fast Retailing is most concerned with identifying the true underlying issue, working on an ongoing basis with partners to rectify any problems. If factories are unable to correct code of conduct violations, we escalate these matters to the Fast Retailing Business Ethics Committee, which discusses the management and employment situation of the partner in question. The committee then determines whether to terminate or modify our business relationship.

We established a Factory Hotline that provides a direct and anonymous channel for employees and organizations representing a group of individuals at key sewing factories and fabric manufacturers to contact us without fear of reprisal from their employer.

- Transparency

We disclose and update information annually on our partner factories on the company website. In February 2017, we published a list of UNIQLO core sewing factories followed by a list of GU core sewing factories in December 2017, with the goals of increasing the transparency of our supply chain, taking on a greater responsibility to ensure good labor conditions, and addressing issues concerning human rights and the environment. In November 2018, a list of UNIQLO core fabric mills was also published, with an aim to also disclose fabric mills used other Fast Retailing brands in the future.

## **Related Links**

▶ [Partner Factory List](#)

- Training and Skills Improvement

According to the outcome of our audits, we provide training and guidance to employees and managers responsible for procuring goods and materials. We also provide training to raise awareness of the importance of human rights and the environment in the supply chain. Our partner factories receive similar training on a regular basis.

See the Fast Retailing corporate website for more details.

▶ <http://www.fastretailing.com/eng/sustainability/>

The entities covered by this statement include, among others, UNIQLO EUROPE LTD, a wholly-owned subsidiary of Fast Retailing Co., Ltd. and a company doing business in the United Kingdom.

This statement was approved by the board of directors of Fast Retailing Co., Ltd. on March 22, 2019 and signed on its behalf by:

**Tadashi Yanai**

**Chairman, President and CEO Fast Retailing Co., Ltd.**

March 22, 2019