

# Fast Retailing Group

## Fighting Against Forced Labour and Child Labour in Supply Chains Act, 2023

### INTRODUCTION

As a company that spans the globe, the mission of Fast Retailing 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 is the first report made on behalf of Fast Retailing Group and all companies in the Fast Retailing Group (collectively, referred to as 'Fast Retailing', 'we' or 'our' throughout this report) pursuant to the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023, c.9).

Fast Retailing Co., Ltd is a Japanese retail holding company with global headquarters in Tokyo and is listed on the Tokyo Stock Exchange. The entities covered by this report include (and registered office):

- UNIQLO USA LLC, Theory LLC, GU USA LLC, and Helmut Lang New York LLC (**UNIQLO USA in New York**), all of which are wholly owned subsidiaries of Fast Retailing USA, Inc., itself a wholly owned subsidiary of Fast Retailing Co., Ltd<sup>1</sup>.
- UNIQLO Canada Inc., (**UNIQLO Canada** in Ontario) is a subsidiary of Fast Retailing Canada Inc., itself a wholly owned subsidiary of Fast Retailing Co., Ltd.

In preparing this report, the Fast Retailing Group consulted with the relevant stakeholders of each entity on whose behalf this report is being made. This was done in a manner appropriate for the operations and supply chains of each entity. The actions referred to in this report were taken accordingly. Stakeholders were notified that this report was being prepared and they were provided with an opportunity to respond.

This report applies to and sets out the steps Fast Retailing has taken during the fiscal year 1<sup>st</sup> September 2022 to 31<sup>st</sup> August 2023 (FY2023) to identify and address modern slavery within our supply chain and our own business operations. The report was approved by the Board of Directors of Fast Retailing Co., Ltd. on 16th May 2024.

### DEFINITION OF MODERN SLAVERY

Modern slavery is an umbrella term which encompasses forced and compulsory labour, child labour, servitude, human trafficking, and other situations that involves the abuse of vulnerability, particularly of women and children, deception, or coercion<sup>2</sup>.

### KEY ACTIVITIES

Significant developments in FY2023 include Fast Retailing developing the following initiatives:

- Updated Fast Retailing's Code of Conduct for Production Partners to include clear commitment on responsible purchasing practice and equal buyer-supplier relationships. The minimum standards on forced

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<sup>1</sup> Theory LLC and Helmut Lang New York LLC are the reporting entities under the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act, (S.C 2023, c.9).

<sup>2</sup> [The Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act](#), (S.C. 2023, c.9).

labour and responsible recruitment of foreign migrant workers were also strengthened, in line with the principles outlined in the latest American Apparel & Footwear Association (AAFA) and the Fair Labor Association (FLA) Responsible Recruitment Commitment<sup>3</sup>.

- Revised Fast Retailing's Standards and Guidelines on Responsible Recruitment of Foreign Migrant Workers for Production Partners ('Standards and Guidelines'). The Standards and Guidelines were reviewed by the International Organisation of Migration (IOM) extensively, and it sets out the requirements and expectations of our production partners to respect human and labour rights of foreign migrant workers during recruitment, employment, and the return to their home country.
- Began implementing an end-to-end management system of our supply chain, which enables us to apply quality, procurement, production, environment, and worker-rights standards across all stages of production, including specifying raw materials and fabrics from the sewing stage back to raw material procurement.
- Traced all UNIQLO products back to the country of origin of raw materials from the 2023 Spring/Summer season. As of August 2023, we identified spinning process suppliers with potential to build trusted, long term relationships for UNIQLO cotton products.
- Signed Code of Conduct for Production Partners with Tier 3 strategic spinning mills and began regular audit and monitoring activities to ensure working conditions comply with our standards.

## ORGANISATIONAL STRUCTURE AND OPERATIONS

Fast Retailing is a global apparel retail group and in addition to its primary casual wear brand UNIQLO, it is also the parent company of a suite of apparel brands, including GU, THEORY, HELMUT LANG, COMPTOIR DES COTONNIERS, PRINCESSE TAM-TAM, PLST, and J BRAND.

Our global business overview as of end of FY2023:

- 3,578 stores in 25 countries and regions including Canada, and the United States.
- 114,220 employees globally.
- 676 production partners (Tier 1 garment / sewing factories, processing factories, and Tier 2 core fabric mills).
- Production team staff are based in Japan, Bangladesh, China, India, Indonesia, and Vietnam.

## THE FAST RETAILING BUSINESS AND SUPPLY CHAIN

### Fast Retailing supply chains: Production

Fast Retailing engages with all levels of its supply chain, which can either include an individual manufacturing entity such as a garment factory, a fabric mill, and the raw material supplier, or a combination of those entities (in each case, a 'Production Partner'). Our Production Partners are the manufacturers of the products sold by our entities covered by this report. These products include apparel, footwear, and accessories.

As of 31<sup>st</sup> August 2023, we worked with 519 Tier 1 Production Partners who manufactured our products (including both garment and processing factories with direct and indirect business relationships), and 157 Tier 2 core fabric mill partners. Our main Tier 1 production partners and Tier 2 core fabric mill partners are in Bangladesh, Cambodia, China, India, Indonesia, Italy, Japan, Malaysia, Thailand, and Vietnam.

We started publishing [a list of Production Partners](#) on our website to increase transparency in 2017. In March 2022, we expanded that list to include all garment factories and core fabric mills we expect to continue to do business with, and any subcontractors. The list is updated every six months.

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<sup>3</sup> [https://www.aafaglobal.org/AAFA/Solutions\\_Pages/Commitment\\_to\\_Responsible\\_Recruitment](https://www.aafaglobal.org/AAFA/Solutions_Pages/Commitment_to_Responsible_Recruitment)

## Fast Retailing operations: Goods and services

Fast Retailing procures a range of other goods and services from international suppliers (not engaged in manufacturing). This includes information and communication technology services and products, marketing and media services, various professional services (including facilities and property management, financial, insurance and legal), and transport, storage, construction, and security.

## Fast Retailing operations: Retail sale of our products

Our store operation staff are primarily engaged in retail sales or administrative tasks. Store operations are governed by our group policies and procedures as well as local legislations of countries we operate in.

## ACTIONS TAKEN BY FAST RETAILING TO ASSESS AND ADDRESS RISKS OF MODERN SLAVERY AND THE EFFECTIVENESS OF SUCH ACTIONS

### OUR POLICIES AND COMMITMENTS

To safeguard human rights and protect against modern slavery risks in the supply chain, Fast Retailing has taken a range of initiatives, including establishing policies and processes that are outlined in this report. Fast Retailing is committed to ensuring good working environments are maintained throughout the entire supply chain, down to raw materials level, in accordance with international guidelines.

We have zero-tolerance standards in place for issues that seriously violate human rights, including modern slavery. Matters resulting from inadequate management of working conditions are also categorised as serious issues.

Zero-tolerance issues:

- Child labour, forced labour, coercion and harassment, discrimination, lack of building safety, serious violation of freedom of association, illegal or unjustified dismissal of workers on strike, retaliation against employees who raised grievances, non-payment of wages, non-payment of minimum wages, lack of emergency preparedness (especially fire safety), transparency issues such as false reports, bribery, wrong reporting of the audit scope of production areas, unauthorised subcontracting and use of homeworkers.

Major serious issues:

- Insufficient payment for overtime, no legal leave provided, non-payment during work stoppage, non-payment of social insurance premiums, long working hours, no legal breaks provided, no employment contracts or incomplete contracts with employees.

When any such violations are found, factories are required to remedy the matter immediately. If a zero-tolerance issue is found, or a serious issue is found again after a previous assessment, the matter is escalated to the Business Ethics Committee (detailed in the 'Governance' section), which determines whether to terminate or modify the business relationship. This occurs in parallel with measures being discussed with the factory and close monitoring until improvement is completed.

## Human Rights Policy

Fast Retailing has a [Human Rights Policy](#) that is in accordance with international standards, including the United Nations Guiding Principles on Business and Human Rights (UNGPR), and the International Labour Organization's (ILO) Declaration of Fundamental Principles and Rights at Work. The policy specifies our minimum required standards to respect and safeguard human rights including with regards to forced labour and child labour. This policy applies to all employees of Fast Retailing, and all workers in Fast Retailing's supply chain.

## Responsible Purchasing Policy

We recognise that our purchasing practices have an impact on production partners' ability to meet both business and order requirements, alongside expectations on social and human rights. We established the [Fast Retailing Responsible Purchasing Policy](#), and it stipulates matters that must be taken into consideration when production

departments or other purchasing-related departments place orders to any production partners. Appropriate purchasing procedures are outlined to include the following examples:

- When placing an order, it is important to develop a purchase order plan based on the production equipment and capacity of the factory. Quantity and delivery dates are required to be clearly agreed in advance, with no changes to be made without the consent of the production partner.
- There must be no abuse of the dominant bargaining position in negotiations on prices and payment terms.
- When terminating a business relationship with a production partner, it is required to set an appropriate exit time considering the financial impact and employment situation at the factory, and to monitor and confirm there are no potential worker or human rights violations that might occur as a result of the termination.

## Business Partner Operational Guidelines

In order to build fair and mutually beneficial relations with all of our business partners, we have compiled principles in ten key areas under [Fast Retailing's Business Partner Operational Guidelines](#), and we endeavour to enter into contracts with partners who adhere to these Guidelines.

## Code of Conduct for Employees

[Fast Retailing Code of Conduct for Employees](#) is a written collection of basic rules that all company employees should observe and serves as a set of behavioural standards that align with the Human Rights Policy. Employees who fail to comply with the Code of Conduct may be subject to disciplinary action.

## Code of Conduct for Production Partners

A key initiative to address modern slavery in our supply chains is [Fast Retailing's Code of Conduct for Production Partners \(CoC\)](#). The code is based on the core labour standards of the ILO and sets minimum standards including for legal compliance, prohibition of child labour and forced labour, health and safety and working conditions. Our Tier 1 garment / sewing factories and Tier 2 core fabric mills are required to comply with and sign the CoC. In FY2023, Fast Retailing also extended the CoC coverage to strategic Tier 3 spinning mills. Our production partner signatories are required to cascade our standards upstream to any of their own partners involved in the process within our supply chain.

## AAFA/FLA Commitment to Responsible Recruitment for Production Partners

Fast Retailing is a signatory to the AAFA/FLA Commitment to Responsible Recruitment and utilises the intelligence, collaboration, resources, and tools from the two organisations in our risk assessments, and our work to eliminate forced labour and human trafficking in our supply chains.

## Standards and Guidelines on Responsible Recruitment of Foreign Migrant Workers for Production Partners

Fast Retailing has revised our [Standards and Guidelines on Responsible Recruitment of Foreign Migrant Workers for Production Partners](#) ('Standards and Guidelines') in FY2023, with expert review from the IOM.

The Standards and Guidelines contain Fast Retailing's requirements and expectations of our production partners to respect human and labour rights of foreign migrant workers during recruitment, employment, and upon their return. The minimum mandatory standards our production partners shall commit to include:

- No workers' pay for their job.
- Workers receive a timely refund of fees and costs paid to obtain or maintain their job.
- Workers retain control of their identity, travel, or any other documents, and have full freedom of movement.
- All workers are informed, in a language they understand, of the basic terms of their employment before leaving their country of origin.

All production partners who hire foreign migrant workers, including Tier 1 garment and processing factories, Tier 2 core fabric mills are covered in the Standards and Guidelines.

## HUMAN RIGHTS DUE DILIGENCE

### Risk identification and monitoring

We value our relationships with our production partners and share a common philosophy: to manufacture high-quality products through ethical processes that protect human rights and ensure safe and appropriate working conditions in the supply chain in line with our CoC. Fast Retailing recognises workers involved in the manufacturing of the products in some regions of our supply chains are at greater risk of modern slavery, forced labour, child labour and other human rights violations. In FY63, we focused on mitigating the risks of forced labour in our Tier 1 and Tier 2 supply chains, where we identified the highest risk.

We regularly monitor and conduct human rights risk assessments across our key production countries. Our approach to human rights due diligence is based on the [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#).

Our Supply Chain Sustainability team is based in all key sourcing regions and is responsible for conducting or overseeing verification of CoC compliance of our production partners. They also support and advise on remediation activities and implement global capacity building programs. The visibility and knowledge of the team directly shape our overall understanding of potential and actual risks in our supply chains.

### Country and sector risk mapping

We conduct an annual mapping of salient country and sector risks. We define the salience as locations as those with the risk of the most severe negative impact on people, not to the business, in line with [UN Guiding Principles on Business and Human Rights \(UNGPR\)](#). We review information provided in social compliance audits, academic studies, reports from civil society, media reports, industry associations, and private consulting firms etc., to determine priorities and allocation of resources. We also use the International Labor Organisation (ILO) Indicators of Forced Labor to understand the various dimensions of forced labour and modern slavery.

During FY2023, our risk assessments and workplace monitoring program helped us identify priority risk areas across different tiers in our supply chains:

- Presence of vulnerable groups such as foreign migrant workers, women, young workers, and workers of low socio-economic status etc., that are more prone to abuse and exploitation.
- Unethical recruitment practices.
- Health and safety violations in the workplace.
- Long working hours and overtime.
- Insufficient management of wages and benefits.
- Limited right to freedom of association.

### Onboarding new production partners

All new potential Tier 1 production partners and their processing factories undergo our social compliance audit conducted by third-party auditors, which covers topics related to modern slavery, including forced labour and child labour risks. We only start doing business with potential production partners after they successfully meet the requirements of our CoC.

## Monitoring existing production partners

All production partners in Tier 1 garment / sewing factories and Tier 2 core fabric mills (including subcontractors), are regularly audited and monitored against our CoC. In FY2023, we also began auditing and monitoring of our Tier 3 strategic spinning mills.

Our production partners are audited (either announced or unannounced) every 12 months at a minimum. When production partners are regarded as low risk, based on past audit and assessment records, cases received from the Fast Retailing hotline and how these grievance cases were resolved, and our own team's transparency checks, they may receive audits every 24 months instead. Some selected production partners will be assessed by the FLA as a part of the accreditation process.

All audits and assessments are completed on-site, and include a facility tour and visual inspections, documentation reviews, and interviews with management and workers. If the production partner provides accommodation to workers, an inspection of dormitories will also be conducted.

In cases where we suspect production partners or workers are not transparent during the assessment process, we may conduct off-site interviews or follow up with additional unannounced visits for transparency checks.

In FY2023, a total of 616 audits were carried out. The FLA assessed 4 of our Tier 1 production partners.

## Ongoing risk assessments

In addition to our audits, we monitor and assess risks in our supply chains through other activities.

**Human rights risk assessments:** In FY2023, we piloted human rights risk assessments, which focus on gender and migrant worker risks, in India. Production partners were assessed against the [ILO indicators of Forced Labour](#), and where they hire interstate migrant workers, special considerations are given to understand the recruitment channels, process, and communication between migrant workers and other local co-workers and management.

**Foreign migrant worker assessments:** Since 2022, we set up an internal working group on responsible recruitment to drive better identification, prevention and remediation of forced labour and recruitment risks, with a focus on specific sourcing locations: Japan; Malaysia; and Thailand. In FY2023, we assessed 15 of our production partners that hire foreign migrant workers. Based on these assessments, we implemented remediation where required, as described below in the Risk Prevention and Remediation section.

## Industry Initiatives

We understand that issues in the global apparel industry cannot be addressed by any single company, and to this end, we are committed to forming partnerships and engaging in activities with a variety of stakeholder groups. Through our memberships, we collaborate and engage with partners to identify, prevent, and remediate risks, including modern slavery and forced labour and child labour.

**Social Labor Convergence Program (SLCP):** Fast Retailing is a signatory to the SLCP initiative that enables widespread sharing of one verified assessment as we recognize the importance of reducing audit fatigue in global supply chains. The SLCP process consists of a self-assessment conducted by the production partner itself, which is then verified by a third party authorised by SLCP. We accept SLCP verifications as a substitute to our own audits. In FY2023, 203 SLCP assessments were performed in China, Bangladesh, Vietnam, India, Turkey, and other regions, following the SLCP methodology.

**Better Work:** We are a direct buyer partner of Better Work, a joint programme between the International Labor Organisation (ILO) and the International Finance Corporation (IFC) of the World Bank Group. Through Better Work, we conduct special-purpose assessments, provide training and guidance for improvement among member factories. We also collaborate with other global brands who are part of Better Work, as well as governments, labour unions, and other stakeholders etc., to strengthen the stability and competitiveness across the supply chain

for the apparel and footwear industries, while upholding the rights of factory workers and improving labour conditions.

## Traceability

Fast Retailing pursues traceability across our supply chain to ensure modern slavery risks are identified and mitigated along our supply chains. We are working to establish a system of end-to-end management of our supply chain, which will enable greater visibility and control over workplace factors throughout the entire supply chain.

In FY2023, we began implementing an end-to-end management system of our supply chain, which enables us to apply quality, procurement, production, environment, and worker-rights standards across all stages of production from sewing stage back to raw material procurement. This includes specifying raw materials and fabrics in the planning stage. We also traced all UNIQLO products back to the country of origin of raw materials from the 2023 Spring/Summer season. As of August 2023, we identified spinning process suppliers with potential to build trusted, long-term relationships for UNIQLO cotton products.

## Due diligence in own operations

Commercial operations across our global network of stores and offices are considered low risk for modern slavery and are governed by our own framework to protect workplace conditions and employee health and safety. For these operations, we are required to procure goods and services in different regions around the world. Typically, such partners are local service providers, and are governed by a framework of legislation where they operate. However, Fast Retailing recognizes modern slavery risk may still exist. Accordingly, all suppliers are required to comply with Fast Retailing's Business Partner Operational Guidelines before we commence a commercial relationship. We will continue to develop and review our processes to assess suppliers, with a focus on high-risk areas.

## RISK PREVENTION AND REMEDIATION

### Corrective actions and continuous improvement

If and when human rights violations are identified, our production partners are required to develop corrective action plans (CAPs) and to remedy the issues promptly and effectively. We prioritize identifying the root cause and addressing it effectively. We have a dedicated Supply Chain Sustainability team, which reviews CAPs and engages with our production partners on steps for continuous improvement and effective solutions. The team also verifies progress and implementation through document review or onsite assessments.

During FY2023 we focused on two areas specifically on mitigating risks of forced labour in our supply chains:

### Foreign migrant workers in Malaysia, Thailand, and Japan

Some of our production partners (at Tier 1 and Tier 2) in Malaysia, Thailand and Japan hire foreign migrant workers from a diverse number of countries, including Bangladesh, Nepal, Vietnam, Sri Lanka, Indonesia, China and Philippines. We identified unethical recruitment, hiring and employment practices including lack of repayment of recruitment fees (e.g., passport renewal fees, travel costs), and workers not fully understanding the terms and conditions of their contracts before they departed their home countries. Fast Retailing agreed on improvement plans and repayment plans with production partners and monitored progress until all necessary remedial actions were completed.

### Vulnerable interstate female migrants in India

Across our supply chain in India, we selected production partners across different tiers to pilot human rights risk assessments, with a gender and migrant worker focus. We identified risks related to coercion and harassment, discrimination, restriction of movement, excessive working hours, and lack of access to remedy. We are working closely with the respective production partners to remediate the issues and prevent reoccurrence in the future.

We have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour in our activities and supply chains.

## Grievance Mechanisms

We are committed to strengthening our grievance mechanisms. In the first instance we require our garment/ sewing production partners and fabric mills to establish their own grievance mechanisms that meet the UNGP criteria, including written policies and procedures.

Employees in our own operations and supply chains and our customers can raise concerns using the Fast Retailing hotline channels. The hotline channel is available for employees in our own operations, customers and local communities and workers at our Tier 1 (garment/ sewing) and Tier 2 core fabric mill production facilities.

The Fast Retailing hotline at production partner facilities is available in local languages, and our production partners are required to post the Fast Retailing hotline poster in a prominent workplace location. Our auditors may also provide workers with hotline cards during audits and inform them that they can contact Fast Retailing directly without fear of reprisal.

Members of the sustainability department assess and investigate the grievances raised. If the grievance is substantiated, the case will be expedited and our sustainability teams will work with the involved parties on remedy and preventive measures. The Human Rights Committee (detailed in the 'Governance' section) oversees and reviews any serious cases. Any risk areas and emerging trends are analysed on an annual basis, and learnings and insights will be incorporated into our overall risk analysis.

More information about Fast Retailing's grievance mechanisms can be found [here](#).

## Training and Capacity Building

We build knowledge and capacity of our production partners through regular training on human rights and our policies. Each year, we train all new Tier 1 (garment / sewing) and Tier 2 core fabric mill production partners on our human rights due diligence process, our CoC expectations, our audit management platform, and commitment to continuous improvement and remediation. We also provide existing production partners with training on any updates related to our due diligence approach, audit methodology, CoC expectations etc. During FY2023, a total of 466 Tier 1 production partners across 22 different countries were trained.

The team delivered thematic training to address specific risks, including modern slavery, forced labour and responsible recruitment risks, to production partners and their labour recruiters who hire foreign migrant workers. In FY2023, together with IOM, we provided basic training of responsible recruitment to recruitment agencies in Sri Lanka and Nepal, countries where many foreign migrant workers come from.

Internally, members of the cross-country responsible recruitment working group attend webinars and industry conferences related to forced labour and recruitment risks to ensure we are fully updated on latest trends, knowledge, and best practice.

In FY2023, Fast Retailing also piloted a series of in-person and online annual trainings for internal teams in the UK, EU, US, Canada, and Japan, including, marketing, PR, legal, store operations, sustainability, logistics, management functions, etc., to raise awareness on business and human rights risks and mitigation in the supply chain. Across all regions, over 360 colleagues attended the sessions.

## Responsible purchasing practices

Apart from our Responsible Purchasing Policy, in FY2023 we participated in two new industry initiatives related to responsible purchasing practices. We piloted the [Better Buying Partnership Index and Better Buying Purchasing Practices Index](#), from which we have gained invaluable insights and feedback from our production partners anonymously. We also joined the [Responsible Purchasing Practices Learning and Implementation Community \(RPP](#)



[LIC](#)), which is a two-year multi stakeholder initiative supporting companies in improving purchasing practices, and aims to strengthen the [Common Framework for Responsible Purchasing Practices](#) and encourage positive change in the industry. A key focus area for the next fiscal year is to align our purchasing practices with the Common Framework, identify areas of opportunity within the purchasing cycle and drive internal changes and implementation.

## GOVERNANCE

### Human Rights Committee

Chaired by an external professional, the [Human Rights Committee](#) (HRC) assesses and advises on the execution of human rights due diligence and is responsible for ensuring human rights are upheld according to the 2018 Fast Retailing Group Human Rights Policy. As part of its counselling and supervisory responsibilities, the HRC provides various educational activities, advises business administration functions to ensure all business is conducted appropriately, and investigates human rights violations and implements remedial measures.

In FY2023, the following actions were taken and deliberated by the HRC:

- Reviewed the current working conditions and recruitment risks of technical intern trainees hired in Japan, and Fast Retailing's response to the identified issues.
- Evaluated the results from third-party audits and assessments conducted at the spinner level, and the implementation of countermeasures.
- Advised on the framework to conduct human rights due diligence for our logistics partners.

### Business Ethics Committee

When zero-tolerance issues, including forced labour or child labour are found, or a serious issue is identified as a case of repeated non-compliance, or a production partner lacks the commitment to implement changes and remediation, the matter is escalated to the [Business Ethics Committee](#) (BEC). The committee discusses the issue to determine the share of responsibility and the need to review or modify the business relationship with production partners, which may include immediate cancellation of orders and/or termination of business. The BEC is chaired by the Head of the Sustainability Department and is composed of external statutory auditors, executive officers, and other committee members including external Audit and Supervisory Board members. The BEC provides advice and counsel to departments based on external field inspections and partner company surveys and ensures that Fast Retailing does not use an advantageous position to exert undue pressure on business counterparts such as production partners and suppliers.

### Assessing Effectiveness

We are committed to evaluating the effectiveness of our human rights due diligence approach, with the support and oversight of the HRC and BEC. This includes how we identify, prevent, and remediate modern slavery and forced labour and child labour risks. We evaluate the effectiveness of our monitoring program by analysing the results and country trends from our annual assessments and audit results. We set goals for reducing the number of issues and for resolving grievances reported through the Fast Retailing Hotline. This helps us to improve our monitoring program and production partners' own grievance mechanisms.

We proactively seek advice on our due diligence policies and procedures from the FLA as part of our FLA accreditation. When FLA standards are updated, we review and revise our programs accordingly. We also apply learnings and inputs through our engagement with Better Work.

We conduct regular surveys and discussions with our production partners to ensure compliance with the purchasing policy and to implement improvements continuously. We also send anonymous questionnaires about our purchasing practices to major production partners to gather feedback and understand areas for improvement.

For general information about our FY2023 workplace monitoring results and changes, please go to [Workplace Monitoring Results](#).

## LOOKING FORWARD

During fiscal year 2023-2024 (FY2024), we will continue our efforts to identify, prevent and remediate any modern slavery, forced labour and child labour risks in our supply chains. In addition, we intend to focus on:

- Expanding human rights due diligence activities within the supply chain and own operations, to include more fabric mills, spinners, trims and accessories production partners, and warehouse assessments.
- Strengthening the knowledge of production partners which hire foreign migrant workers, especially on understanding agency due diligence, and the potential risks foreign migrant workers face in their home countries.
- Supporting our production partners in India who undertook the human rights risk assessments to remediate the issues and improve working conditions for vulnerable workers.
- Enhancing traceability to cover more products and Group brands.
- Aligning our purchasing practices with the Common Framework for Responsible Purchasing Practices, and to identify areas of opportunity within the purchasing cycle and drive changes.

## APPROVALS

**JAPAN:** This Report is made by Fast Retailing Co., Ltd pursuant to the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023, c.9), and was approved by the Board of Directors of Fast Retailing Co., Ltd. on 16 May 2024.

Tadashi Yanai

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

Date: 29 May 2024

**UNITED STATES OF AMERICA:** This Report is made by UNIQLO USA LLC, Theory LLC, GU USA LLC, and Helmut Lang New York LLC (the reporting entities) pursuant to the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023, c.9), and signed on its behalf by:

Yoram Arieven

Group Executive Officer, Fast Retailing USA, Inc

Date: 29 May 2024

**CANADA:** In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge,

and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind UNIQLO Canada Inc.

Alex Goldelman

Group Executive Officer, Fast Retailing USA, Inc. and Fast Retailing Canada, Inc.

Date: 29 May 2024