

APPENDIX

Appendix I: The Code of Conduct policy guidelines owned by UNIQLO are as follows:¹

1. Legal Requirements

Production partners must comply with all applicable local, national laws and regulations, legal requirements, and applicable treaties in the country or countries in which they operate (hereinafter referred to as “Laws”). However, FAST RETAILING’s requirements may exceed those requirements set out in local law in order to safeguard worker rights under applicable national and international labor and social security laws and regulations.

2. Child Labor

No person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher.

3. Forced Labor

Production partners shall not use any bonded, indentured, forced, or slave labor, labor conducted by prisoners, labor similar to slavery, or labor engaged through human trafficking. Workers shall not be required to submit original personal legal documents or make deposits of any kind at any time during the recruitment and employment process. Workers’ freedom of movement shall not be restricted in either their workplace or living quarters.

¹ Fast Retailing. Co, Ltd. (2019, February 2019). *Code of Conduct for Production Partners*. Retrieved from Fast Retailing: <https://www.fastretailing.com/eng/sustainability/labor/coc.html>

4. Coercion and Harassment

Production partners must treat all workers with respect and dignity. Production partners shall not use corporal punishment or any forms of coercion. Production partners shall not engage in or permit any forms of abuse, including physical, verbal, or psychological abuse, or any forms of harassment, including sexual harassment. Production partners shall have a written system of progressive discipline, e.g. the application of escalating disciplinary action from verbal warnings to suspension and finally to termination.

5. Discrimination

Production partners shall employ workers on the basis of their ability to do the job. Production partners shall not discriminate against workers on the basis of race, gender, color, nationality, religion, age, maternity, marital status, social or ethnic origin, sexual orientation, political opinion, disability, affiliation, non-affiliation, or any other status.

6. Health and Safety

Production partners shall provide all workers with a safe and healthy environment, ensuring proper health and safety management; building and fire safety; safety of machinery and equipment; access to potable water and suitable sanitary facilities; and safe handling of chemicals. The same standards shall also apply to housing for workers.

7. Freedom of Association

Production partners shall recognize and respect the right of workers to associate, organize, and bargain collectively. In addition, all production partners shall implement grievance mechanisms to allow all workers to confidentially communicate concerns to the production partner's management and the

worker representative without the risk of retaliation and provide effective means remedy such grievances.

8. Wages and Benefits

Production partners shall furnish wages and benefits, make monetary deductions, and provide workers with employment contracts in compliance with all applicable Law. Production partners shall also maintain wage-related documentation. No monetary deductions shall be permitted for disciplinary action.

Production partners shall recognize that each worker has a right to wages that meet the worker's basic needs and provide some discretionary income.

Such wages shall be equal or better than the higher of minimum wage or the prevailing industry wage. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with Fast Retailing and other organizations to take appropriate actions that seek to progressively realize a level of compensation that does.

9. Working Hours

Production partners shall comply with working hour limits established by applicable laws, but under no circumstances shall regular weekly working hours exceed 48 hours per week. The sum of regular and overtime hours in a week shall not exceed 60 hours. Production partners shall provide workers with at 24 consecutive hours of rest in every seven day period. Production partners shall also maintain accurate time-in/out records of each worker. All overtime work shall be consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate.

10. Environmental Protection

Apart from complying with all applicable environmental Laws, production partners should strive to improve their

environmental performance by meeting the requirements set by FAST RETAILING—requirements that may go beyond applicable environmental Laws.

11. Documentation and Communication

Production partners shall establish and maintain management systems and internal rules that ensure compliance with all the requirements in this code of conduct. Such rules shall be communicated to all management and workers. The management systems may include policies and procedures for risk assessments, training, performance measurement, accountability and documentation.

12. Monitoring and Compliance

Production partners must allow FAST RETAILING and its designated agents to access all workers, all facilities, including manufacturing and worker housing facilities, and relevant documents to confirm compliance with the code of conduct, with or without notice provided in advance.

13. Corrective Action

When violations are found, FAST RETAILING and the production partner will agree on a corrective action plan that eliminates the problem within a reasonable timeframe. If it is found that a production partner is in violation of this code of conduct, FAST RETAILING will take actions, which may include immediate cancellation of orders and/or termination of business with the production partner.

14. Subcontracting and Procurement

When production partners subcontract production orders submitted by any FAST RETAILING group company to subcontractors, production partners shall ensure that all business activities by such subcontractors are in compliance with this code of conduct. Additionally, when production

partners procure raw materials or indirect materials necessary for the manufacture of our products from third parties, production partners shall not conduct business with suppliers whose business activities violate this code of conduct. In the event that production partners will use any subcontractors and/or procure any raw materials or indirect materials necessary for the manufacture of our products from third parties, the consent of FAST RETAILING shall be obtained prior to engaging such third party. In the event FAST RETAILING wishes to confirm that the business activities of the subcontractors and/or suppliers of a production partner are in compliance with this code of conduct, the production partner shall address such requests in good faith and cooperate as required by FAST RETAILING.

15. Transparency and Integrity

FAST RETAILING expects all business with our production partners to be carried out in an ethical and transparent manner. FAST RETAILING does not tolerate any forms of unethical behavior, including bribery, concealment or falsification of records, or influencing workers to mislead FAST RETAILING and its designated agents.

Appendix II : UNIQLO Quality and Safety Control System

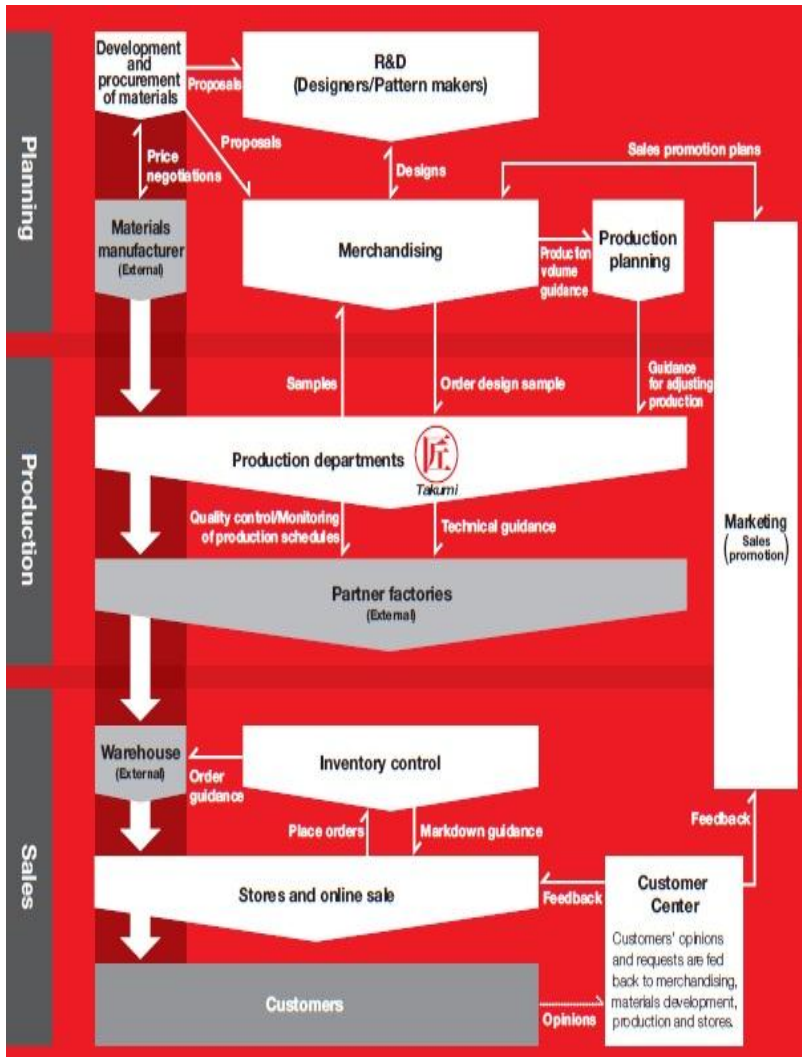


Figure of UNIQLO Business Model

Source : Fast Retailing Co., L. (2012). *Annual Report UNIQLO*. Tokyo: Fast Retailing.