■ 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, published by Fast Retailing during the fiscal year ended August 2017, is aligned in spirit with the California Transparency in Supply Chains Act (SB 657) and UK Modern Slavery Act of 2015. Fast Retailing is committed to take 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, human rights, and other rights guaranteed by law for all people involved in the production of our raw materials and garments.

■ Policies to Prevent Slave Labor and Human Trafficking

The Fast Retailing Social Responsibility Policy defines our responsibilities in the supply chain.

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.

■ 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 undertake strict measures, modifying or even terminating our business relationship with the said partner.

· Transparency
We strive to bolster transparency throughout our supply chain. In 2017, we published a list of core production partners for UNIQLO and GU.

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/

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