California Transparency in Supply Chains Act of 2010 (SB 657) and Modern Slavery Act 2015

Statement of Fast Retailing Co., Ltd. and other relevant group companies (“Fast Retailing”)

At Fast Retailing, we are committed to creating truly great clothing and bringing joy of wearing clothes to customers all over the world. The concept of providing truly great clothing includes maintaining integrity, respecting human rights, and caring for the environment.

This statement has been published pursuant to the California Transparency in Supply Chains Act of 2010 (SB 657) and the Modern Slavery Act 2015 for the financial year ending 31st August 2017. It sets out the steps taken by Fast Retailing to ensure that slavery and human trafficking is not taking place in our supply chains or in any part of our business.

Our Business and Supply Chains

Fast Retailing is an apparel retailer with operations in Japan and around the world, with the UNIQLO casual wear brand at its core. Approximately 90% of UNIQLO production takes place in the countries where we have production offices – namely China, Vietnam, Indonesia, Bangladesh, Turkey and India. Through strong partnership with partner factories, Fast Retailing strives to create working environments, where legal rights are protected, human rights are ensured, and employees can work in a safe and healthy environment.

Policies

We have published our commitment in our Social Responsibility Policy in our supply chain:

- Sustainability Approach > Priority Areas and Sustainability Policy > Responsible Supply Chain Management

Consistent with our commitment, we conduct a continuous risk assessment of our supply chain for understanding human rights issues, including human trafficking and slavery. We regularly review relevant reports published by organizations that address human rights issues and interact with private specialists such as auditing firms and consultants to keep our knowledge and information up to date.

We also enacted the Code of Conduct for Production Partners (“CoC”), which is based upon principles of ethical business practices and human rights. The CoC explicitly prohibits the use of child labor, forced labor, human trafficking, and coercion and harassment and requires compliance with applicable laws and regulations. We require our partner factories to certify and agree to our CoC.

Due Diligence and Audits

We engage external auditing firms to perform announced and unannounced monitoring to evaluate compliance with our CoC that also includes requirements for factories’ grievance mechanism. Factories are required to address and correct any non-conformance issues.
identified during monitoring or follow-up monitoring. Failure to address and correct violations of our CoC can result in a reevaluation of our business relationship with the factory, including potential termination of such business relationship. Our program focuses on continuous improvement by identifying root causes and engaging in close consultation with each factory.

· **Transparency**

We are striving to enhance transparency of our supply chain and in 2017 we published UNIQLO and GU’s core partner factory list:

- [UNIQLO Core Partner Factory List (Revised in March, 2018) (293KB)](UNIQLO Core Partner Factory List (Revised in March, 2018) (293KB))
- [GU Core Partner Factory List (60KB)](GU Core Partner Factory List (60KB))

· **Training and Capacity Building**

Employees and management responsible for sourcing finished goods and materials are trained and instructed regarding factory monitoring results. They are also provided with training toward raising awareness of the importance of human rights and environmental issues in supply chains. We also conduct regular trainings for our partner factories as well.

For further information please visit our website.


Tadashi Yanai

Chairman, President and CEO

Fast Retailing Co., Ltd.

30th March 2018