

Ryohin Keikaku Group Modern Slavery Statement

Fiscal 2023

This statement is made pursuant to section 54 of the UK Modern Slavery Act 2015. It sets out the steps Ryohin Keikaku Co., Ltd. and certain subsidiaries¹ have taken during the fiscal year ending August 31, 2023 (Fiscal 2023) with the aim of preventing modern slavery (slavery, servitude and forced or compulsory labour, and human trafficking) in our business and supply chains.

■Our Commitment to Prevent Modern Slavery and Human Trafficking

The goal of Ryohin Keikaku Co., Ltd. and its affiliated group companies (collectively referred to as "RK Group" or "Ryohin Keikaku") is to strive for global growth and development through fair and transparent business practices. We are committed to ensuring that our business operations do not in any way condone or enable any form of slavery or human trafficking, and we take great care to avoid any violation of human rights or complicity in such activities.

■Our Business and Supply Chains

RK Group is a global SPA (Speciality Store Retailer of Private Label Apparel) that runs specialty stores, with our main brand being "MUJI". Our operations include the planning, development, production, wholesale, and retail of an extensive range of products, including apparel, household goods, food, and other items. We operate 597 stores in Japan and 654 stores in other 31 countries and regions (as of the end of August 2023). RK Group consists of Japan-based headquarters and 28 affiliates engaged in sales and material management. In Fiscal 2023, our consolidated operating revenue was JPY 581.412 billion with a headcount of 20,795 (including 10,721 part-time employees).

For more information about our business, please visit the following link:

<https://ryohin-keikaku.jp/eng/corporate/>

As a producer of wide range of products across three business lines – apparel, household goods, and food – we have an extensive supply chain. RK Group does not own any production plants or production facilities, nor do we manufacture any products. All product manufacturing is outsourced to factories in Japan and other countries and regions including Mainland China, Vietnam, Thailand, Cambodia, Indonesia, India, and Bangladesh. An overview of the three categories of apparel, household goods and food is as follows.

Apparel

The factories where RK Group outsources the manufacture of clothing, shoes, and bags are located in Vietnam, Cambodia, Mainland China, and other Asian countries, including Japan.

Household Goods

RK Group produces and sells various household goods including cosmetics, stationery, furniture, and fabric items. Approximately three-quarter of our cosmetics and stationery products are manufactured in Japan. Meanwhile, factories outsourcing manufacture of furniture and fabric items are located in Vietnam, Mainland China, and India.

Food

Approximately 90% of the factories outsourcing the production of food products such as confectioneries, pouched curries and other processed foods are located in Japan, while more than half of the factories outside Japan are located in Mainland China.

■Our Policy Regarding Modern Slavery and Human Trafficking

RK Group defines our corporate purpose as "to contribute to the realization of a truthful and sustainable life for all through our products, services, stores and business activities that consider the ideal relationship among people, nature and products, as well as a generous human society." To achieve this corporate purpose, we respect human rights and maintain sound working environment of all individuals who work in our supply chain, including not only RK Group associates but also our business partners and subcontractors.

RK Group has established a system to prevent modern slavery and human trafficking by adopting the following: "Ryohin Keikaku Group Compliance Code of Conduct", "Code of Conduct for Production Partners of Ryohin Keikaku" and "Ryohin Keikaku Group Human Rights Policy". We aim to comply with international norms and local laws, and we receive advice and support from external experts in business and human rights, ESG, and sustainability. The ESG Promotion Committee reports on the progress of various initiatives and goals, which are managed and improved accordingly. The committee, chaired by the Chairman of the Board of Directors, meets monthly with the participation of internal directors, executive officers, and responsible managers from related business units. Progress is reported and deliberated by the Board of Directors at least twice a year, and incorporated into policies and activities. Various risks are discussed and deliberated by the Compliance and Risk Management Committee, and reported to the Board of Directors.

Ryohin Keikaku Group Compliance Code of Conduct

The "Ryohin Keikaku Group Compliance Code of Conduct" is established for our employees to promote an understanding of the significance of corporate ethics and to facilitate the promotion of equitable business activities. Apart from complying with laws and regulations, these guidelines explicitly prohibit any human rights violations, including harassment and discrimination.

<https://ryohin-keikaku.jp/eng/sustainability/governance/compliance/>

Code of Conduct for Production Partners of Ryohin Keikaku

The "Code of Conduct for Production Partners of Ryohin Keikaku" has been developed by the RK Group in adherence to the principles of ethical business practices and respect for human rights. Our supplier factories

are required to pledge compliance to this code of conduct, which explicitly prohibits practices such as child labor, forced labor, human trafficking, oppression, and harassment, and demands compliance with all relevant laws and regulations.

https://www.ryohin-keikaku.jp/sustainability/pdf/coc_2024_en.pdf

Ryohin Keikaku Group Human Rights Policy

RK Group has consistently been committed to the prevention of modern slavery and human trafficking, in accordance with the aforementioned Ryohin Keikaku Group Compliance Code of Conduct and Code of Conduct for Production Partners of Ryohin Keikaku. In December 2022, we established the "Ryohin Keikaku Group Human Rights Policy" to explicitly commit to respecting human rights, including preventing modern slavery and human trafficking, in line with international norms such as the UN Guiding Principles on Business and Human Rights. This human rights policy applies to all Ryohin Keikaku officers and employees, and we request that all stakeholders involved with our business, products, and services understand and comply with this policy.

<https://www.ryohin-keikaku.jp/eng/sustainability/supply-chain/humanrights/>

■ Due Diligence Process

RK Group recognize that human rights issues, may pose risks not only within our business but also within our supply chains as stated above. In order to prevent and correct human rights violations in our supply chains, we have implemented the following due diligence processes.

•Contractual Arrangement

RK Group contracts only with suppliers, including those related to our products, who share our policies on labor environment and human rights, and pledge to comply with them, in accordance with the "Code of Conduct for Production Partners of Ryohin Keikaku".

•Onsite Audit

In order to confirm whether the business partners and partner factories which work as our production partners comply with the "Code of Conduct for Production Partners of Ryohin Keikaku", RK Group has commissioned a specialized independent third-party organization to conduct onsite audits. Besides checking onsite conditions and reviewing documents and records, these audits also include interviews with managers and employees in order to understand the actual conditions of the workplace in a multifaceted manner and identify issues.

In cases that any non-compliance is detected, we require our business partner and partner factories to take immediate remedial actions. With regard to the implementation of such remedial actions, we request them to establish an effective program to solve the issues. Further, we carry out continuous monitoring, such as asking for the submission of evidence where the remedial actions are taken. In the unlikely event that our business partners or partner factories are proved to contribute to serious human rights abuse such as forced labor, and

the situation cannot be improved even if we exercise our leverage, we will take careful and appropriate measures in accordance with our "Code of Conduct for Production Partners of Ryohin Keikaku", including the cease of business relationship with such business partner or partner factory as an option.

•Compliance Hotline

RK Group attaches great importance to taking corrective measures in the event of compliance violations, including violations of our Ryohin Keikaku Group Compliance Code of Conduct, Code of Conduct for Production Partners of Ryohin Keikaku, and Ryohin Keikaku Group Human Rights Policy. To promptly identify concerns and issues and provide relief, we have established a helpline that allows anonymous reporting not only within our company, but also to our business partners.

•Partnership with External Organizations

Since 2016, we have been participating in the Better Work Programme, a joint program of the International Labour Organization (ILO) and the International Finance Corporation (IFC) in order to enhance the initiatives in the apparel factories. We encourage for all the factories that we do business with to join the Better Work Programme where available. We regularly monitor labor standards compliance and work towards improving the working environment of commissioned factories on a continuous basis. Our approach involves receiving expert advice and training to address any compliance issues. Additionally, we have been implementing fair trade practices that consider the well-being of workers, such as providing better welfare benefits and offering vocational training to suppliers in regions with high proportions of illegal immigrants due to economic reasons.

In addition, we continuously participate in the Global Compact Network Japan (GCNJ) to learn about the latest trends regarding modern slavery and advanced initiatives by other companies to advance our own efforts and have held discussions and exchanged information with other companies.

■Risk Assessment and Mitigation

Under the "Code of Conduct for Production Partners of Ryohin Keikaku", Ryohin Keikaku prohibits outsourcing of production to factories that have not obtained prior approval of Ryohin Keikaku. We conduct pre-audits on subcontractor factories to which we outsource part of the production process, and we oblige them to obtain approval from Ryohin Keikaku. Similarly as our business partners, our subcontractor factories are required to comply with the "Code of Conduct for Production Partners of Ryohin Keikaku", and if any serious violation of the Code is discovered, they are required to take corrective actions and then undergo and pass another audit.

Furthermore, we carry out onsite audits in regions identified as having a high risk of modern slavery in investigative and reporting agencies' and NGOs' reports. We do so by engaging independent audit firms to conduct investigations according to the guidance issued by international organizations and national governments.

Additionally, we use primary materials such as cotton, wool, down, linen and wood which can be objectively

verified for their origin and production location as much as possible. For instance, we source cotton, one of the primary materials for MUJI clothing, from various locations worldwide. The organic cotton we use have undergone an audit or certification by third-party organizations.

We will continue to work to prevent human rights violations in the supply chain and urge companies in the supply chain to improve labor conditions. We will also continue to carefully collect information and take appropriate measures such as due diligence.

■ Performance Indicators for the Effectiveness of Initiatives

In FY2023, we performed onsite audits on 116 partner factories and found no factories with significant human rights violation requiring further review on the continuation of business relationship, aside from correctable issues such as regarding health and safety (labor safety) and working hours under the "Code of Conduct for Production Partners of Ryohin Keikaku". We have reported here about the results of our monitoring of partner factories and our efforts to prevent and improve inadequacies.

<https://www.ryohin-keikaku.jp/eng/sustainability/supply-chain/monitoring/>

■ Training on Forced Labor and Human Trafficking

RK Group share information with staff and officers involved in the supply chain about human rights, to convey its importance and conduct training and give guidance on monitoring of partner factories. The Compliance and Risk Management Committee and the ESG Promotion Committee provide training to raise awareness about the importance of human rights and environmental issues in the supply chain. Staffs who communicate with partner factory personnel receive specific improvement guidance on issues.

This statement has been approved by the Board of Directors of Ryohin Keikaku Co., Ltd. on February 16, 2024 and RK Group companies, MUJI EUROPE HOLDINGS LIMITED and RYOHIN KEIKAKU EUROPE LIMITED on February 28, 2024.

Nobuo DOMAE
President and Representative Director
Ryohin Keikaku Co., Ltd.



February 28, 2024

¹ This “certain subsidiaries” refers to MUJI EUROPE HOLDINGS LIMITED, and RYOHIN KEIKAKU EUROPE LIMITED.

² The signatures of MUJI EUROPE HOLDINGS LIMITED and RYOHIN KEIKAKU EUROPE LIMITED, and the names of their signatory directors are available on request from MUJI EUROPE HOLDINGS LIMITED, Bedford House, 21a John Street, London, England, WC1N 2BF.