

Code of Conduct for Production Partners of Ryohin Keikaku

Since the establishment of MUJI in 1980, Ryohin Keikaku Co., Ltd., who operates the MUJI brand, has continued to produce products that are truly fundamental to day-to-day life without any unnecessary complexity, in line with the three basic manufacturing principles of “Selection of materials,” “Streamlining of processes,” and “Simplification of packages.” It is also striving to solve a variety of issues the society is facing, such as the conservation of global environment, through its products and services. Looking ahead, we will continue our efforts in delivering MUJI products and services that take both the consumer and the producers into consideration in order to realize our vision of achieving “a simple, pleasant life” and “a simple, pleasant society.”

Code of Conduct for Production Partners of Ryohin Keikaku (hereafter “Code of Conduct”) defines standards for a fair, safe and appropriate work environment as well as the environmental responsibility throughout the supply chain. These standards are based on global human rights principles and declarations, including the 10 principles of the United Nations Global Compact, the ILO Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.

Ryohin Keikaku values the partnership with all the production partners and factories involved in the Group's supply chain. It not only requests them to comply with the Code of Conduct, but also strives to make continuous improvements together. The Code of Conduct applies to suppliers who have direct contracts with Ryohin Keikaku, as well as their contract manufacturers (hereafter, production partners). In terms of production partners, not only the company itself but also its cooperating companies in the supply chain should comply with the same standards. When Ryohin Keikaku considers it necessary, production partners should confirm the status of compliance of its cooperating companies and report to Ryohin Keikaku.

Ryohin Keikaku does business only with production partners that pledge to comply with the Code of Conduct in order to protect the work environment and human rights in factories. In addition, to ensure compliance and to monitor ongoing efforts, we require production partners to consent to participate in factory audits conducted by third-party organization commissioned by Ryohin Keikaku, or to participate in the Better Work Program. If none of these norms were met, Ryohin Keikaku would require production partners to take corrective actions, and to establish sustainable management and in-plant problem-solving programs to ensure continuous compliance. For non-compliance items, evidence of corrective actions is also required.

Production partners are requested to report any suspected violations of national, local, and other applicable laws and Code of Conduct to Ryohin Keikaku. Please inform the issue to muji-coc@muji.co.jp. Ryohin Keikaku promises to strictly protect all information it receives and protect the anonymity of the whistleblower.

Code of Conduct for Production Partners

(1) Laws and regulations

Production partners must 1) comply with all applicable laws and regulations at the national and local level where their employees work, and 2) comply with Code of Conduct for Production Partners of Ryohin Keikaku. When differences in standards or conflicts arise, production partners should choose criteria that are favorable to their employees.

(2) Prohibition of Child Labor

Production partners must not employ children under the age of 15, or under the age for completion of compulsory education, or under the legal minimum age for employment as defined by applicable law, whichever is higher.

Juvenile workers (aged 15 to 17 years) shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to compromise their health, safety or morals. Appropriately check the age of employees when hiring.

(3) Prohibition of Forced Labor

Production partners must not engage in any form of forced labor, compulsory labor, and human trafficking, including slave labor and forced labor through physical or mental restraint. Unless otherwise regulated by special laws and regulations, employees shall not be required to pay commission fee or deposits in exchange for employment, nor should they be required to submit personal legal documents such as passports, identity cards and work permits. Employees' freedom of movement shall not be monitored or restricted in either their workplace or living quarters. When an employee is sick, injured or pregnant, they can take a leave after submitting certificates and notifications from doctors.

(4) Employment contract

Production partners must adopt and comply with employment regulations and conditions that protect the rights of employees, which are fair, complete and accurate under national and international labor and social security legislation.

(5) Working Hours

Production partners must accurately record the working hours of all employees, and document and preserve them without omission. In principle, the number of working days per year shall not exceed the limit stipulated by local laws. In addition, weekly working hours (including overtime) must not exceed legal limits.

(6) Wages and Compensation

The Production Partners will conclude a labor contract with the workers in accordance with all applicable laws and regulations, and will pay wages and benefits and make various deductions. No monetary deduction for disciplinary action or disciplinary punishment shall be made. The Production Partners should pay all employees, including probationary trainees, dispatched workers, and student workers, at a promised time at least the minimum amount or more guaranteed by law for normal weekly work. If the salary does not meet the living wage of the employee and his or her family, the production partners should work with other organizations or Ryohin Keikaku and take appropriate action to gradually reach appropriate wage levels. All dispatched and consigned labor will be used within the limits of applicable laws and regulations.

(7) Health and Safety

Production partners should provide a safe and healthy environment to all employees and properly manage their health and safety. All buildings on the premises must be maintained in a good condition, ensuring the safety of the body structure. Fire extinguishers and evacuation routes in the facilities should be adequate, unlocked*, uninterrupted and accessible. The safety

of machinery and other equipment must be ensured. Safe drinking water and adequate sanitation facility must be provided and chemical materials must be managed properly. Similar standards apply to dormitories provided to employees, while dormitories should not be located in the same building as manufacturing sites and warehouses.

(*Unlocked refers the physical state of not being locked, or that workers can evacuate the building in one action by pressing the door from inside in the event of a disaster or any emergency.)

(8) Managing chemicals

Production partners shall carefully manage chemical substances that might cause environmental pollution. In terms of products, chemical substances prohibited by laws and regulations in each country or region must not be included in products of that country or region. Do not use chemical substances that are prohibited in the manufacturing process. For chemical substances specified by the laws and regulations of each country or region, monitor the amount of emissions and report the results to the relevant authorities based on the laws and regulations.

(9) Freedom of association and the right to collective bargaining

Production partners shall recognize and admit the freedom of collective bargaining and the rights for management and employees to organize trade unions and employee unions, and to participate freely in organizations of their choice. In addition, an effective, transparent complaint handling system where employees' complaints can be submitted and resolved in good faith with mutual respect should be created and implemented, even if there is no employee union.

(10) Discrimination

Production partners shall not discriminate or be complicit in employment discrimination relating to recruitment, wages, promotion, termination or retirement on the grounds of race, color, gender, age, nationality, origin, ethnicity, religion, sexual orientation, gender identity, physical or mental disability, medical condition, disease, generic characteristics, pregnancy, marital status, socioeconomic status, political opinion, affiliation with the labor union, etc. All employment decisions should be based on the principle of equal employment opportunities. An effective system should be in place to protect all employees, including migrant employee, temporary employee and seasonal employee, from all forms of discrimination.

(11) Harassment, Abuse, and Disciplinary Proceedings

Production partners should respect the human rights of all employees and must not commit any form of harassment, including verbal, mental, physical, or sexual harassment. Disciplinary proceedings such as verbal warnings, suspension, and dismissal should be specified in written form.

(12) Anti-Corruption

Production partners should maintain appropriate and normal relationships with government and administrations, and should not engage in any form of bribery, corruption, blackmailing or embezzlement. In addition, appropriate procedures should be put in place to prevent bribery in all transactions conducted by production partners.

(13) Environment

Production partners should understand and comply with all environmental laws applicable to the countries and regions in which they operate. In addition, production partners should continuously monitor their use of energy and natural resource, amount of emissions, carbon footprint, and waste disposal and disclose the data to the Ryohin Keikaku to minimize the negative impact on the global environment.

(14) Subcontracting

Production partners should not subcontract production orders to subcontractors unless they obtained written permission from Ryohin Keikaku in advance. Production, including product samples, must be carried out at factories that have been pre-approved by Ryohin Keikaku without exception.

(15) Responsible Procurement and Traceability

Production partners should assess the target raw materials prescribed separately by Ryohin Keikaku within their own supply chain. At the same time, they should develop their own policies and management systems for due diligence, identify risks that need to be addressed, and implement appropriate procedures to mitigate those risks. High-risk regions refer to regions that are involved in conflicts, worst forms of child employment, forced labor, human trafficking, significant violations of human rights, and other activities deemed reasonably and objectively high-risk (e.g., serious risks to health and safety, adverse environmental impacts). Together with Ryohin Keikaku, production partners should establish transparency and traceability at all stages of the supply chain, from the procurement of raw materials to the production of final products. When Ryohin Keikaku requests, information – from the place of origin of the raw materials involved in the production of Ryohin Keikaku's products to the factories producing final products – should be provided accordingly.

(16) Community

Production partners should strive to contribute to the development of the countries and regions in which they operate, as well as to the development of local communities through their business activities and other activities such as the initiatives to conserve global environment.

Future Revisions

The Code of Conduct will be revised in accordance with changes in international standards and the progress of social and environmental efforts made by the Ryohin Keikaku. The revised version will be published on the Ryohin Keikaku website and we will inform our production partners accordingly. The revised Code of Conduct will come into effect once it is published on the Ryohin Keikaku website or once production partners are informed, whichever comes first. Production partners are requested to comply with the revised Code of Conduct.

Established in July 2020