

The Code of Conduct for Production Partners of Ryohin Keikaku

Since the establishment of MUJI in 1980, Ryohin Keikaku Co., Ltd. (hereinafter “the Company”), 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.” Through its products and services, the Company strives to reduce its environmental impact and resolve a variety of social issues for the creation of a sustainable society, while protecting and respecting human rights under its core value, which is “to contribute to society and people.” The Company will continue to work towards a “simple, pleasant life and society” through its products and services that take consumers, producers, human rights, and the environment into consideration.

The Code of Conduct for Production Partners of Ryohin Keikaku (hereafter the “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 internationally recognized human rights principles and declarations, including the International Bill of Human Rights and the core labor standards set forth in the International Labour Organization (ILO) conventions.

The Company values the partnership with all the suppliers 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 the Company, as well as their contract manufacturers (hereafter collectively referred to as “production partners”). The Company requires its production partners to not only comply with the Code of Conduct but also oblige their cooperating companies in their supply chains to comply with the same standards. When deemed necessary, the Company will require production partners to verify the compliance of their cooperating companies and to report the findings to the Company.

The Company conducts 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, and the natural environment. In addition, to ensure compliance and to monitor ongoing efforts, the Company requires its production partners to consent to participate in factory audits conducted by a third-party organization commissioned by the Company, or to participate in the Better Work Program. In case where production partners fail to meet any of the requirements stipulated in the Code of Conduct, the Company will require them to take corrective actions, and to establish sustainable management and in-plant problem resolution programs to ensure continuous compliance. When production partners take corrective actions based on the suggestions made by the Company, they shall submit the evidence of implementation of such corrective actions and an improvement report and, as necessary, agree to follow-up audits.

In cases of human rights violations or misconduct in business activities, and violations and/or suspected violations of national, local, and other applicable laws and regulations, and/or the Code of Conduct, production partners are required to immediately report to the Company.

The Code of Conduct for Production Partners

(1) Laws and Regulations

Production partners shall comply with 1) all applicable laws and regulations at the national and local level where their employees work, and 2) the Code of Conduct for Production Partners. In the event of any discrepancy between the above 1) and 2), production partners shall choose the standard that is favorable to their employees.

(2) Prohibition of Child Labor

Production partners shall 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. Production partners shall appropriately check the age of employees when hiring.

(3) Prohibition of Forced Labor

Production partners shall 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 shall 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 shall 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) shall not exceed legal limits in principle.

(6) Wages and Compensations

Production partners shall conclude a labor contract with the workers in accordance with all applicable laws and regulations, pay wages and benefits, and make various deductions. Production partners shall not make monetary deduction for the purpose of disciplinary action or disciplinary punishment beyond that permitted by laws and regulations. Production partners shall pay all employees, including probationary trainees, dispatched workers, and student workers, at a promised time at least the minimum wage guaranteed by laws and regulations for normal workweek. If the salary does not meet the living wage of the employee and his or her family, production partners shall work with other organizations or the Company and take appropriate action to gradually reach appropriate wage levels. All dispatched and consigned labor shall be used within the limits of applicable laws and regulations.

(7) Health and Safety

Production partners shall 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. Production partners shall 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, production partners shall 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 right for management and employees to organize labor unions and employee unions, the right to participate freely in associations of their choice, and the freedom of collective bargaining. In addition, production partners shall establish and implement an effective, transparent grievance mechanism where complaints can be submitted by employees and be resolved in good faith with mutual respect, even in the absence of labor or 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 shall respect the human rights of all employees and shall 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 shall maintain appropriate and normal relationships with government and administrations, and shall not engage in any form of bribery, corruption, blackmailing or embezzlement. In addition, production partners shall put in place appropriate procedures to prevent bribery in all of their transactions.

(13) Environment

Production partners shall strive to protect the environment by complying with all environmental laws applicable to the countries and regions in which they operate, and the environmental requirements set forth by the Company (which may set

standards that are higher than legal and other standards). In addition, production partners shall assess the environmental impact of their business activities and proactively implement measures to reduce their impact. Measures to be taken include: measures to reduce greenhouse gas emissions, implementation of sustainable procurement, tracking of environmental data, reduction of pollution and waste generation, effective use of resources such as water and raw materials, reduction of hazardous substances and exhaust emissions, and conservation of biodiversity. Production partners shall disclose environmental data when requested by the Company.

(14) Subcontracting

Production partners shall not subcontract the manufacture of goods to subcontractors without prior written permission from the Company. When subcontracting the manufacture of goods to a subcontractor, production partner shall obtain prior written approval from the Company, and ensure that the business activities of the subcontractor are in line with the Code of Conduct.

(15) Responsible Procurement and Traceability

Production partners shall assess the target raw materials prescribed separately by the Company within their own supply chain. At the same time, they shall 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. Together with the Company, production partners shall establish transparency and traceability at all stages of the supply chain, from the procurement of raw materials to the production of final products. When the Company requests, information covering from the place of origin of the raw materials involved in the production of the Company's products to the factories producing final products should be provided accordingly.

(16) Community

Production partners shall 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 Company. The revised version will be published on the Company website, and we will inform our production partners accordingly. The revised Code of Conduct will come into effect once it is published on the Company website or once production partners are informed, whichever comes first. Production partners are required to comply with the revised Code of Conduct.

Established in July 2020

Revised in January 2024