

Code of Conduct for Business Partners of United Arrows Group in Goods Procurement

Introduction

All of our suppliers are indispensable partners of United Arrows Group (hereinafter “UA Group”) in conducting our business. We believe that the relationship between the suppliers and UA Group should not be a one-sided business relationship where only one side benefits. UA Group aims to conduct business on an equal footing, with the spirit of gratitude in terms of “selling, buying, and cooperating” kept in mind constantly by both parties. We believe that maintaining a position of expanding together with our business partners, rather than only expanding UA Group’s business, will enhance the value of our business partners.

UA Group aims to “Create a standard for lifestyle culture” by “Creating Five Values” and commits itself to taking independent action to realize a sustainable society and environment. We believe that we can make the world more prosperous and make it shine by building upon this. Action towards a sustainable society and environment cannot be taken by UA Group alone and can only be achieved by working together and uniting the aspirations of all our stakeholders throughout the entire supply chain, starting with our business partners. We believe that this will simultaneously lead to the creation of value for our stakeholders.

We request our business partners to understand the intent and content of these Code of conduct, and observe them to establish a responsible procurement and supply chain for the delivery of safe and secure products to our customers, leading us to a desirable future society and environment. Furthermore, we request our business partners to make efforts to disseminate the purpose hereof to their sub-suppliers and also have their sub-suppliers observe these Guidelines.

The Code of Conduct are based on international principles and declarations, such as the Universal Declaration of Human Rights¹, International Labour Organization (ILO) Core Labour Standards², and United Nations (UN) Guiding Principles on Business and Human Rights³. We ask you to understand the items of the Guidelines and promote them continuously. We may request our business partners to provide us with reports, on-site surveys, etc., concerning the status of their activities based on these Guidelines. In addition, we may request for corrective measures to be taken by our business partners and their sub-suppliers based on the status of their activities based on the Code of Conduct. In such case, your cooperation would be appreciated.

¹. Universal Declaration of Human Rights: This sets forth the principles of respecting human rights. Although the declaration itself is not legally binding, it is epochal being the first to internationally declare the protection of human rights. It consists of a preamble and 30 articles, covering a wide range of civil, political, economic, social, and cultural rights of all people. It has been incorporated into constitutions and laws of countries around the world, and is also being used in resolutions of various international conferences, providing a strong impact on countries worldwide.

². ILO Core Labour Standards: This sets forth the minimum standards in respect of labour, covering eight fundamental conventions in the four areas of “freedom of association and approval of collective bargaining rights”, “abolition of forced labour”, “abolition of child labour” and “elimination of discrimination”. It promotes the realization of decent work.

³. UN Guiding Principles on Business and Human Rights: Based on three pillars consisting of “State duty to protect human rights”, “Corporate responsibility to respect human rights”, and “Access to remedy”, this identifies the infringement of human rights in the form of “Human rights due-diligence”, the process to identify, prevent, mitigate, and account for how businesses address their impacts on human rights and at the same time, requires “access to remedy” for the victims of human rights infringement through the introduction of grievance mechanisms.

I Compliance

Please observe all laws and ordinances of each country or region, and conduct fair, impartial, and transparent business activities. In addition, to promote social and environmental responsibility and business ethics, when you are faced with demands that contradict the laws and regulations of each country or region and international principles, we request you to follow internationally recognized methods to respect principles of workers' rights.

II Prevention of corruption

Please continuously provide education to prevent corruption and ensure that no unethical acts such as bribery, falsification of material evidence and testimony, tampering and concealment are conducted or graft, money laundering, and other fraudulent acts are committed in your business activities. Please note that UA Group will not engage in any business with any company associated with anti-social forces, such as gangster organizations or racketeers, for any reason whatsoever.

III Respect for workers' rights

(1) Abolition of child labor

The Minimum Age Convention (International Labour Organization (ILO) No. 138) does not allow children to engage in work who are less than the age of completion of compulsory schooling and, in any case, less than 15 years. Please employ workers in compliance with this convention and local legal systems. In addition, in case of any restrictions or requests regarding youth employment, please comply with the local legal system.

(2) Abolition of forced labor

Human trafficking and forced labor shall not be tolerated for any reason whatsoever. Please comply with the Abolition of Forced Labour Convention (ILO No. 105) and local laws that apply, and ensure that no acts of assault, intimidation, confinement, as well as any bonded labor that mentally or physically restrains freedom of action in an unlawful manner, are conducted in the course of hiring and employment.

(3) Abolishment of discrimination and bullying

Please do not discriminate on the basis of sex, race, language, religion, age, disability, sexual orientation, gender identity, nationality, political views, social groups, national or social origin, property, birth, or class, in areas related to employment, such as hiring, compensation, promotion, training, severance, and retirement. These discriminatory acts are prohibited in the labor laws of each country as well as in various UN conventions. In addition, please ensure that there is no harassment, including sexual, power, or moral harassment, in the workplace, or acts of abuse, violence, intimidation, or chastisement.

(4) Wages and allowances

As for wages and allowances, please comply with all laws, restrictions, and procedures that apply locally to minimum wage, overtime work, statutory benefits, etc. Please pay the higher of the local minimum wage and the prevailing industry wage as the wage for working hours, overtime, and statutory benefits, etc.

(5) Working hours

Please comply with applicable local laws regarding working hours. All overtime work must be consensual with the worker. In addition, employees must not work more than their normal working hours without receiving overtime pay, including an appropriate surcharge.

(6) Health and safety

Please ensure to provide a safe working environment, such as the implementation of measures to prevent unforeseen accidents in the workplace. Do not overlook the obligation to consider the safety of workers. Regarding physically demanding work or dangerous work, such as the handling of hazardous chemical materials or work involving production equipment, please provide operational procedures and supervision to avoid risks and provide regular education and guidance to the workers to establish a safe and sanitary workplace environment to prevent labor accidents and diseases.

IV Consideration of the natural environment

Please observe the local legal system regarding the natural environment, such as water pollution, air pollution, and waste disposal caused by chemical substances. Please also take necessary procedures appropriately, such as notifications and the acquisition and renewal of permits. In addition, in order to conduct product manufacturing that gives consideration to biodiversity, suppress the emission of greenhouse gases like carbon dioxide to lessen the impact on climate change, or suppress the environmental impact from the use of natural resources, energy, and water in the product manufacturing process, and reduce the generation of waste.

V Freedom of association and collective bargaining

Please respect the right of workers to associate freely and their right to collective bargaining based on the laws and regulations of each country. In case the right to freedom of association or collective bargaining is not recognized or is restricted by local laws and regulations, please establish a grievance system that can be easily used by the workers, whereby the workers can file complaints smoothly with the management, including management representatives. Please also ensure that no discrimination or acts of retaliation will be taken against the complaining worker when this right is exercised.

VI Quality control and traceability

To ensure the delivery of reliable and safe products to our customers, we request your cooperation in continuously upgrading and improving product quality control and establishing transparency and traceability throughout the entire supply chain from the stage of raw materials to the final product manufacturing plant.

VII Promoting responsible procurement

In order to promote responsible procurement throughout the entire supply chain, we request you to make active efforts to promote the understanding of the items set forth in these Guidelines within your own supply chain.