

## Human Rights Initiatives

Ever since its inception as a corporate entity, the Wacoal Group has never rested in its mission to further business management rooted in mutual trust and respect for humanity. Wacoal's purpose is to contribute to the everyday health and affluence of each and every one of our customers through the products and services that we supply, effectively setting our sights on the realization of a sustainable society. We recognize that all of our business activities must be grounded in the premise of unrelenting respect for human rights. True to this stance, we pledge to fully grasp and support international principles and standards, such as the United Nations Guiding Principles on Business and Human Rights, as the minimum tenets and benchmarks to be maintained with regard to human rights.

### Revision of Human Rights Policy

The Wacoal Group has continued to engage in activities to promote respect for human rights based on its basic policy on human rights set forth in the CSR Basic Policy, which was established in 2013. However, recognizing the need to promote even more Groupwide efforts to respect human rights in light of the increasing awareness of human rights issues and our corporate social responsibilities, in April 2022 the Wacoal Group Human Rights Policy was revised and disclosed both internally and outside the organization. Moreover, this policy now conforms to the United Nations Guiding Principles on Business and Human Rights.\*

\* Guiding Principles on Business and Human Rights: Adopted by the United Nations Human Rights Council in 2011, these guiding principles serve to protect individuals who are at risk of serious harm from corporate activities.

### Approach Going Forward

The Group has a process in place to identify negative impacts and risks to human rights in product procurement and to formulate and implement appropriate measures in accordance with the Wacoal Group CSR Procurement Guidelines and is expanding the scope of such activities (please refer to page 33 for details). However, we have yet to develop a process for human rights due diligence for the supply chain, with the exception of the procurement process, nor have we identified the human rights issues reflecting the specific circumstances of our business conditions. The Subcommittee for Human Rights, D&I, which operates under the Sustainability Committee, intends to place priority on the establishment of an internal system for implementing human rights due diligence and identifying the human rights issues that are specific to our business.

### The Wacoal Group Human Rights Policy

#### (1) Basic Thinking

Ever since its inception as a corporate entity, the Wacoal Group has never rested in its mission to further business management rooted in mutual trust and respect for humanity. Wacoal's purpose is to contribute to the everyday health and affluence of each and every one of our customers through the products and services that we supply, effectively setting our sights on the realization of a sustainable society. Wacoal recognizes that all of our business activities must be grounded in the premise of unrelenting respect for human rights. True to this stance, we pledge to fully grasp and support the following international principles and standards as the minimum tenets and benchmarks to be maintained with regard to human rights.

- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- The Ten Principles of the UN Global Compact
- International Labor Organization Core Labor Standards

#### (2) Scope of Application

The Policy shall apply to all Wacoal executives and employees. Wacoal likewise looks forward to the understanding and support of the policy on the part of all business partners concerned with our products and services.

#### (3) Fulfillment of Responsibilities in Respect of Human Rights

Wacoal understands the risks that the Company's business activities may exert a direct or indirect impact on human rights, and naturally strives to ensure that such activities do not infringe upon the rights of others. Upon learning that any of its business activities have in fact exerted a negative impact on human rights, Wacoal shall mount appropriate responses aimed at rectifying the situation, thereby fulfilling our responsibilities in maintaining respect for such rights.

#### - Compliance with Applicable Laws and Regulations

Wacoal shall comply with all laws and regulations in force in each of the nations or regions where it conducts our business activities. In the event of an occurrence of conflict with internationally recognized principles on human rights or the laws or regulations in force in specific nations, Wacoal shall pursue methods aimed at ensuring maximum respect for international human rights principles.

#### - Human Rights Due Diligence

Wacoal shall formulate a human rights due diligence system, thereby striving to stipulate the negative impact caused by the Company on society and prevent and reduce such impact.

#### - Dialogue and Deliberation

Within the process of executing the policy, Wacoal shall utilize the knowledge of outside experts as deemed necessary. Dialogue and deliberation with related stakeholders shall also be earnestly conducted.

#### - Education (Training)

Wacoal shall implement broad-based human rights enlightenment programs targeting all executives and employees, working to ensure that the policy encompasses the full range of the Company's business activities and is effectively executed.

#### - Improvements and Relief

In order to efficiently grasp any negative impact on human rights accompanying its business activities, Wacoal shall maintain a system effective in responding to reports of such situations. In cases when a negative impact has clearly been caused with regard to human rights or such impact has been furthered, measures shall be adopted through appropriate procedures to provide relief for the conditions.

#### - Reports and Information Disclosure

Wacoal shall disclose the progress and the results of measures adopted in the interest of maintaining respect for human rights on its website or in other formats.

## Fulfilling Social Responsibilities along Our Supply Chain

The Wacoal Group engages in responsible procurement with its business partners around the world with the aim of fulfilling its social responsibilities throughout the entire supply chain. Realizing the importance of meeting the expectations of society, establishing mutual trust, and working in unison, we believe that promoting CSR procurement together with our contract manufacturers and raw material suppliers will maximize the interests of all of our partners along the supply chain and contribute to the sustainable growth of all parties. As such, we will continue to engage proactively in this area going forward.

### CSR Procurement Based on Mutual Trust and Cooperation

Wacoal's supply chains for textiles and apparel begin with product planning and design in the countries and regions where the products will be sold. Almost all of our products are shipped to their respective markets after processing through international networks in which the production or procurement of raw materials and the sewing and manufacturing of finished products are carried out in China or emerging countries in the ASEAN region.

Established in October 2017, the Wacoal Group CSR Procurement Guidelines declare that "in order to fulfill our social responsibilities, we must build close partnerships with all suppliers involved in our product manufacturing activities, and together with them we must comply with and respect society's requirements with regard to not only quality, pricing, and delivery but also human rights, labor practices, the environment, and ethics." Since February 2018, we have been conducting a management cycle that continuously amends and improves the guidelines in light of careful monitoring of compliance with the guidelines at our sewing factories and contract manufacturers. Further, Wacoal has been disclosing the basic information of contract manufacturers that endorse its CSR-focused procurement activities on its corporate website since May 2018.

### Basic Information Disclosed on Contract Manufacturers

(as of June 2022)

Country/region	No. of factories operated by Wacoal or contract manufacturers	Percentage of total factories worldwide
Japan	105	40.4%
China	118	45.4%
Taiwan	3	1.2%
Indonesia	3	1.2%
Vietnam	13	5.0%
Thailand	7	2.7%
The Philippines	3	1.2%
Cambodia	3	1.2%
Sri Lanka	1	0.4%
Dominican Republic	1	0.4%
Tunisia	2	0.8%
Other	1	0.4%
Total	260	100.0%

### Fiscal 2022 Initiatives and Fiscal 2023 Plan

#### Fiscal 2022 Initiatives

- **Extended coverage of CSR-focused procurement activities**  
Added the contract manufacturers of the apparel of consolidated overseas subsidiaries (excluding Wacoal Hong Kong Co., Ltd., Philippine Wacoal Corp., Vietnam Wacoal Corp., Wacoal Singapore Private Limited, and Wacoal India Private Limited) and Nanasai Co., Ltd. and of products other than the apparel of Wacoal Corp. and Peach John Co., Ltd. as survey targets
- **Verified the status of compliance with matters specified in the Wacoal Group CSR Procurement Guidelines via self-assessments**  
Conducted self-assessments for the second time with 58 contract manufacturers that began engaging in CSR-focused procurement activities in fiscal 2020
- **Verified the feasibility of remote audit methods (as a replacement to on-site audits due to COVID-19)**  
Verified the effectiveness of remote audits, particularly on matters related to labor practices that stood out as issues in the results of previous audits, as an alternative solution to on-site audits, which were held prior to COVID-19
- **Incorporated external certification into the audits of contract manufacturers of consolidated overseas subsidiaries**  
Approved the use of certification results for factories that have been assessed and certified by external organizations as capable of ensuring the content of audits as requested by the Company, in order to extend the coverage of CSR-focused procurement activities by ensuring the rationality and effectiveness of audits

#### Fiscal 2023 Plans

- **Implement on-site and remote audits and operate assisted audits**  
Resume on-site audits in Japan and partially resume on-site audits and proceed with the operation of assisted audits (certification results of external auditing firms) overseas
- **Establish an auditing method for raw material suppliers upon conducting pilot audits at the raw material factories of overseas Group subsidiaries**
- **Accurately monitor the status of compliance with matters specified in the Wacoal Group CSR Procurement Guidelines through self-assessments and provide feedback on analyses and assessments**
- **Minimize negative impact on human rights and proceed with measures toward improvement**  
Expand training opportunities to raise awareness of CSR-focused procurement activities on the basis of respecting human rights at our sewing factories and increase the number of criteria pertaining to negative impacts on human rights in self-assessments and on-site audits for contract manufacturers and raw material suppliers in Japan and overseas in order to prevent, mitigate, reduce, and eliminate such impacts

#### Status of Operations at Myanmar Wacoal Company Limited

Upon the resumption of military rule in Myanmar in February 2021, our factory at Myanmar Wacoal Company Limited was shut down until the end of August due to intensifying clashes between the nation's military and protesters as well as the escalating impact of COVID-19. During this period, the situation in Myanmar continued to undergo rapid changes, and therefore, we took the necessary actions to eliminate and reduce risks by identifying them in a timely manner. However, we have not conducted human rights due diligence to comprehensively identify the risks of employees under military rule. The greatest risks to human rights identified through this process are those concerning the safety of the lives and physical conditions of our employees. In order to ensure the health and safety of Myanmar Wacoal's employees, we shared information as necessary on the local situation, including the security situation, at the Group Management Meeting and Board of Directors' meetings and established a system for taking appropriate measures in a timely manner. As an example of such measures to ensure safety, employees were prohibited from going to work and given paid leave instead or were allowed to work from home when commuting to their workplace became difficult due to military inspections or when their safety was likely to be at risk on their way to work due to the security situation.

