

# Wacoal Group CSR Procurement Guidelines

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Wacoal Holdings Corp.

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## I. Introduction

The social mission of Wacoal Holdings Corp. and its consolidated subsidiaries ("Wacoal") is to "contribute to society by helping women everywhere feel more beautiful." Aiming at achieving this mission in response to social demand and building a future together with all stakeholders, Wacoal is aware of our responsibility to grasp negative impacts that may arise from our business activities and to avoid or mitigate them.

Wacoal gains support from not only like-minded suppliers within our group but also many external suppliers producing materials and merchandise to deliver first-class quality products worthy of our customers. Toward the fulfillment of our social responsibility in every aspect of business activities, Wacoal must build close relationships with our suppliers involved in our product manufacturing activities. Further, we must respect and comply with our social requirements, such as "human rights," "labor practice," "environment," and "ethics" as well as "quality," "prices," and "delivery deadlines," together with all suppliers.

Based on our recognition of this current situation, Wacoal has established the Wacoal Group CSR Procurement Guidelines (the "Guidelines") to facilitate a deeper understanding of Wacoal's procurement activities and to ask for cooperation to promote CSR activities.

To be agile in responding to social needs in Japan and overseas, it is imperative for us to fulfill our social responsibility in cooperation with all suppliers involved in our supply chain to maximize our common interests and contribute to mutual sustainable development. We sincerely ask suppliers to understand the purpose of the Guidelines and implement their own actions. We also ask our suppliers to get involved with their related business partners to deploy these understanding and actions.

Wacoal Holdings Corp.  
Representative Director and President

**Hironobu Yasuhara**

## II. Code of Ethics

This document constitutes the Code of Ethics (the "Code") for the directors, officers and employees of Wacoal Holdings Corp. ("Wacoal Holdings") and its consolidated subsidiaries (collectively with Wacoal Holdings, "Wacoal").

This Code sets forth the code of conduct that shall apply globally to all directors, officers and employees of Wacoal. All directors, officers and employees of Wacoal are required to comply with this Code with the understanding that honest and ethical conduct and compliance with the law, both in business and in daily life, solidifies the trust of the markets and strengthens the competitiveness of our business.

### I. General Rules

#### 1. Objective

This Code is designed to deter wrongdoing and to promote:

- 1) Honest and ethical business conduct, including in the handling of conflicts of interest;
- 2) Respect for human rights;
- 3) Consideration for the environment;
- 4) Consideration for society, including in public disclosures and communications; and
- 5) Compliance with legal requirements and respect for the international code of conduct.

#### 2. Scope of Application

This Code applies to all directors, officers and employees of Wacoal.

#### 3. Compliance

Directors, officers and employees must comply with this Code.

## II. Operational Rules

### 1. 1) Honest and Ethical Business Conduct

You must act honestly and ethically in the conduct of all business on behalf of Wacoal.

### 2) Handling of Conflicts of Interest

A conflict of interest arises when your personal interests or those of a third party interfere with your ability to act in Wacoal's interests. You must discharge your responsibilities with a view to the best interest of Wacoal, independent of personal considerations or relationships.

### 2. Respect for Human Rights

You must respect fundamental human rights that foster mutual trust and must not engage in any conduct that violates such rights.

### 3. Consideration for the Environment

You must understand the impact of the conduct of our business on the environment and make continuous efforts to improve efficient use of resources and to prevent contamination.

### 4. 1) Consideration for Society

You must respect the culture and the customs of the countries and regions in which we conduct our business and contribute to the development of local communities.

### 2) Public Disclosures and Communications

You are responsible for providing fair and accurate information about the company in a timely, appropriate and understandable manner. The directors, officers and employees of Wacoal Holdings are responsible for ensuring that all public communications made by Wacoal are fair, complete, accurate, understandable and timely. In addition, you must be responsive to society's assessments and expectations regarding Wacoal and strive to take such assessments and expectations into account in the conduct of our business.

### 5. 1) Compliance with Legal Requirements

You must comply with all applicable laws, rules and regulations in each of the countries and regions in which Wacoal operates.

### 2) Respect for International Code of Conduct

In Case of a conflict between the international code of conduct and the law of the countries and regions in which we conduct our business or the enforcement of such laws, you must respect the international code of conduct.

### III. Wacoal Group's Basic Policies on CSR

In accordance with the seven core subjects of the ISO 26000 standards, our basic policies for CSR initiatives are as follows.

#### 1. Organizational governance

Wacoal shall strengthen corporate governance with the aim of earning the trust of all stakeholders by being a valuable company. Wacoal shall ensure the transparency and equitability of its business management based on respect for international standards of conduct and in accordance with sound societal norms. Further, Wacoal shall implement corporate activities that earn stakeholders' trust and enhance enterprise value by strengthening compliance and corporate governance systems and remaining accountable to stakeholders.

#### 2. Human rights

Based on its management philosophy, Wacoal has put mutual trust and respect for people at the center of business management since its establishment. Believing respect for people to be a corporate responsibility, Wacoal shall further its basic understanding of human rights with respect to the right to live freely and with dignity and reflect this understanding in its business activities. Accordingly, Wacoal shall respect individuals' diverse values, personalities, and privacy. Furthermore, Wacoal shall prevent acts that disregard human rights, including discriminatory language or behavior with respect to race, religion, gender, nationality, physical or mental disabilities, or age; violent behavior; sexual harassment or authority-based harassment; and child labor or forced labor.

#### 3. Labor practices

Based on a management philosophy that emphasizes mutual trust, Wacoal shall deepen mutual trust with employees and create workplace conditions that enable all employees to work actively and with a sense of fulfillment. Wacoal shall enhance measures aimed at creating a dynamic corporate culture by managing employees' health and safety in the workplace, training personnel, being receptive to diverse personnel and values, balancing work and private life, and building sound relationships between labor and management. In addition, Wacoal shall respect laws and regulations relating to labor, respect societal norms and international standards of conduct, establish employment regulations and other personnel regulations, and create workplaces that are comfortable to work in.

#### 4. The environment

Wacoal shall promote environment-friendly business activities reflecting the view that protecting the environment is a corporate responsibility. Wacoal shall provide products that place little burden on the environment and prevent pollution by pursuing environment-friendly initiatives in a variety of processes related to products, from design and materials

development through to manufacturing, distribution, and sales. Also, Wacoal shall adhere to environmental laws and regulations and its independent management standards, heighten employees' environmental awareness through education, and cooperate with and contribute to environmental preservation activities. Moreover, Wacoal shall disclose to the general public the progress of initiatives based on its environmental policies and other environmental preservation initiatives and advance initiatives that are integrated with society.

## 5. Fair operating practices

The cooperation of business partners and various suppliers, contractors, and plants supports Wacoal's manufacturing and sales activities and enables it to provide products customers love.

Wacoal shall respect international standards of conduct and adhere to laws and regulations and sound corporate ethics to ensure that it engages in fair business transactions and conducts business in a fair and open manner. Specifically, Wacoal shall comply with the Antimonopoly Act, the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, the Act against Unjustifiable Premiums and Misleading Representations, the Pharmaceutical Affairs Act, and the Unfair Competition Prevention Act; protect and use its intellectual property rights; and rigorously respect the intellectual property rights of others. In conjunction with these activities, Wacoal shall educate employees about these issues.

## 6. Consumer issues (responding to customers)

Wacoal believes valuing each customer and responding to customer feedback sincerely is a duty and the key to earning trust. Accordingly, Wacoal shall learn from customer feedback and reflect it in products and services to provide products and services customers love. Wacoal shall ensure the quality of all operations involved in product lifecycles rigorously, including research and development, product planning, manufacturing, sales, distribution, and customer support. In these efforts, Wacoal shall protect customer's rights, comply with laws and regulations related to consumer protection, and provide safety and peace of mind. Furthermore, through its website and other media, Wacoal shall disclose a wide range of information to customers and promote fair activities.

## 7. Community involvement and development

Wacoal regards contributing to the development of local communities as an important social responsibility. With a view to developing local communities, Wacoal shall capitalize on the unique expertise and culture it has cultivated to benefit society at large, implement social initiatives that it is uniquely capable of realizing, respect relationships with stakeholders, and deepen communication with them.

Also, in each of the regions where it has businesses Wacoal shall respond to society's requests and expectations and contribute to society in areas where Wacoal can bring strengths to bear.



## IV. Wacoal CSR Procurement Guidelines

The Guidelines set forth standards that Wacoal Holdings requests our suppliers of materials and merchandise to comply with. For the implementation of these Guidelines, suppliers shall pay attention to the following:

### (1) Monitoring

Wacoal may conduct monitoring (questionnaires, field surveys, etc.) of CSR activities based on the Guidelines.

### (2) Follow-up

Considering the results of monitoring, Wacoal may request suppliers to develop improvement plans and conduct as necessary corrective actions for violations. If suppliers fail to resolve such violations, it might be necessary to take further action, such as suspending the trade relationship or terminating the contract.

### (3) Deployment of these Guidelines

Suppliers are requested to involve their related business partners to promote the purpose comparable to the Guidelines and strive to deepen and expand initiatives.

## 1. Organizational Governance

### (1) Compliance

Suppliers shall:

- Comply with applicable laws, rules and regulations of the countries and regions in which they conduct their business.
- Respect the international code of conduct in the event the code is incompatible with the laws and regulations enacted or enforced in the countries and regions in which suppliers conduct their business.

### (2) Management system

Suppliers shall:

- Build management systems for respecting the international code of conduct and promoting business activities in compliance with laws and regulations relating to the environment and society (human rights, labor practices, consumer issues, fair trade and communities).

## 2. Human Rights

Suppliers shall:

- Respect the human rights of all stakeholders.  
Respect for human rights includes respect for the diverse values, personalities and privacy of individuals. It further includes giving consideration to social minorities (ethnic, cultural and sexual minorities, migrant workers, etc.) and the socially vulnerable (women, children and persons with disabilities) to support them in enjoying economic and social benefits.
- Not complicit in gross human rights abuses directly or indirectly.  
Human rights abuses include acts that disregard human rights, such as the use of discriminatory language and behavior with respect to race, region, gender, nationality, physical or mental disabilities, or age; violent behavior, sexual harassment or authority-based harassment; and child labor or forced labor.

## 3. Labor Practices

### (1) Employee health and safety maintenance

Suppliers shall:

- Take appropriate measures in response to the degree of employee exposure to physical strain, harmful substances and risk factors that may negatively affect employees' health (noise, vibration, odor, heat and light).
- Ensure safety with appropriate facilities, techniques and control methods in response to fire, natural disaster and other risks involved in business operations.
- Maintain hygiene properly in facilities provided for employees.
- Care for employee health, provide appropriate health maintenance and strive to enlighten employees on promotion of good health.

### (2) Training personnel

Suppliers shall:

- Provide employees with opportunities for career growth by ensuring access to skill development and theoretical/practical training without discrimination.
- Implement proper development/training program for employees.

### (3) Acceptance of diverse personnel and values

Suppliers shall:

- Ensure human rights of employees, prohibit discrimination and harassment, and

manage policies and systems properly to prevent such incidents.

(4) Balance of work and private life

Suppliers shall:

- Respect the private life of employees outside working hours, prohibit excessive work hours and strive to keep a balance between work and private life so that employees can live a wholesome and cultured life.

(5) Sound relationships between labor and management

Suppliers shall:

- Respect the rights of employees to freedom of association.
- Recognize the exercise of the rights of collective bargaining under the laws and regulations of each country or region as a means of employer-employee consultation, in order to settle working condition and wage issues.

(6) Compliance with the laws and regulations relating to labor

Suppliers shall:

- Ensure that all work is voluntary; employees are free to terminate their employment; and shall not use forced labor or employ children who are under the minimum working age.
- Comply with laws and regulations of each country or region, and control appropriate wages, working hours, days off, granting of paid leave, and any other working conditions.
- Pay wages not less than the minimum wage rate defined by laws and regulations and consider the living wage.
- Comply with related laws and regulations and prohibit inappropriate labor management that may lead to human rights violations of foreign, migrant workers (including technical intern trainees) if suppliers employ such workers.

#### 4. The Environment

(1) Compliance with the laws and regulations relating to environment

Suppliers shall:

- Comply with environmental regulations, and prevent pollution of the atmosphere, water and soil.
- Refrain from using chemical substances prohibited under applicable international

treaties or laws and regulations.

(2) Environment-friendly business activities

Suppliers shall:

- Strive for efficient use of resources, such as the reduction of materials, energy and water, and the reuse of waste materials and water in all processes including manufacturing and distribution.
- Strive to manage business activities properly to prevent irreversible impacts on ecosystems by minimizing the environmental impact on local ecology.

(3) Communication with employees and the society

Suppliers shall:

- Strive for ongoing improvements by fostering in its employees a sense of purpose for the protection of the environment.
- Strive to disclose to society their environmental policies and their progress in environment conservation initiatives.

## 5. Fair operating practices

(1) Fair competition

Suppliers shall:

- Respect fair and free competition, and comply with the competition laws of each country or region.
- Prohibit private monopoly, unreasonable restraint of trade (cartels, collusive bidding), and unfair trading practices (abuse of a superior position).

(2) Anti-corruption

Suppliers shall:

- Refrain from offering or receiving inappropriate profit and advantage, such as provision or acceptance of entertainment or gifts that are beyond social conventions.
- Not seek personal interests over company interests by taking advantage of their position as directors, officers or employees.

(3) Respect for the property rights of others

Suppliers shall:

- Respect the intellectual property (e.g., patent rights, utility model rights, design rights, trademark rights and copyrights) held by or attributable to others, and take care not to infringe such intellectual property rights by illegal use.

(4) Exclusion of anti-social forces

Suppliers shall:

- Exclude and have no relationship with anti-social forces.  
“Anti-social forces” are individuals or a group of individuals who have a negative impact on social order and sound activities, such as organized crime groups and their affiliated entities, criminal organizations, terror organizations and any other person equivalent to above.

(5) Education and enlightenment

Suppliers shall:

- Disseminate the laws and regulations relating to fair business activities, the international code of conduct and corporate ethics to directors, officers and employees.

(6) Appropriate information management

Suppliers shall:

- Manage and process personal and confidential information appropriately in compliance with laws and regulations to prevent external information leakage.

6. Consumer issues (responding to customers)

(1) Maintenance and improvement of product quality

Suppliers shall:

- Strive to maintain and improve product quality considering with the voice of consumers and Wacoal and other business partners to provide products and services loved and trusted by consumers.
- Implement thoroughly measures to prevent contamination and the use of harmful, hazardous substances in our products in order to provide consumers with safe products.

(2) Information management

Suppliers shall:

- Strive to ensure the safety and security of consumers through the provision of accurate information about our products and services to Wacoal and other business partners.

## 7. Community Involvement and Development

Suppliers shall:

- Emphasize relationships and communicate with local community stakeholders as needed.
- Strive to contribute to the development of their own community by proactively implementing social contributions and business activities to resolve social issues in their own area of strength.