

## Basic Supply Chain ESG Policy (ESG: Environment, Society, and Governance)

1. United Urban, not being satisfied with simply strengthening its own sustainability initiatives, supports strengthening sustainability throughout its supply chain with the objective of building an environmentally friendly, healthy and sustainable society.
2. Having set out the Supply Chain Sustainability Guidelines below, United Urban asks for the understanding and cooperation of its business partners in observing the Guidelines, to promote, together with its business partners, highly effective sustainability initiatives. Further, when calling on its business partners, United Urban will communicate the Guidelines so that they are fully aware of the Guidelines and will assist business partners' capacity building by making recommendations, requests or providing guidance as necessary and by sharing examples of good practices.
3. Supply Chain Sustainability Guidelines
  - 1) Observance of Laws:
    - Observe the laws of the countries where business is conducted and laws relating to business transactions.
  - 2) Respect for Human Rights:
    - Respect human rights without discrimination, harassment of any kind, abuse or other inhumane treatment.
    - No child labor or forced labor.
    - Proper management of employees' work hours, breaks and holidays and prohibition of excessive overtime work.
    - Payment of the legally mandated minimum wage and endeavoring to pay at least a living wage. No inappropriate wage abatement.
    - Respect for employees' right to unionize for the purpose of labor-management negotiations and right to collective bargaining.
  - 3) Conservation of the Environment:
    - Recognize that climate change issues are important and respond appropriately.
    - Protect the natural environment.
    - Reduce environmental negative impact, prevent pollution.
  - 4) Fair Transactions:
    - Conduct fair transactions and do not inhibit free competition.
    - Prevent corruption; offer no bribes or illegal contributions.
  - 5) Safety and Health:
    - Ensure safe and healthy workplaces and maintain a good working environment.
  - 6) Quality Control:
    - Maintain the quality and safety of products and services.
  - 7) Information Disclosure:
    - Timely and appropriate disclosure of information
4. As part of this Policy, United Urban has set out the following procedures for dealing with vendors that do not meet labor standards.
  - i) When it comes to light that a vendor has failed to meet labor standards relating to 1) Observance of Laws, 2) Respect for Human Rights or 5) Safety and Health, we will as necessary, ask the vendor to:
    - Ascertain the facts, and
    - If the facts are true, prepare a report on the background of the issue and improvement measures.Depending on circumstances, we may also inspect the vendor.
  - ii) If we determine that improvement measures are insufficient, we will request that further measures be taken.
  - iii) If, despite implementing steps i) and ii) above, the situation does not improve, we will examine whether to continue our relationship with the vendor.

(Established November 24, 2017)

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