

Corporate Social Responsibility

All-Product Recycling Initiative

Monitoring Working Conditions

Environmental Protection

Making the World a Better Place through CSR

■ Our Main CSR Initiatives

All-Product Recycling Initiative

Collecting secondhand clothing for distribution to refugee camps worldwide

Social Business

Establishing and operating a social business in Bangladesh

Employing People with Disabilities

Actively hiring people with disabilities at UNIQLO and GU worldwide

Monitoring Working Conditions

Thoroughly monitoring working conditions at partner factories

Environmental Protection

Conscientiously monitoring to minimize our environmental impact

Warm Clothes and Compassion for Those in Need



A heartfelt rainbow of messages delivered along with warm clothes, helping refugees get through the harsh winter.

Our All-Product Recycling Initiative collects quality secondhand clothing donated by UNIQLO and GU customers and delivers it to people around the world. By the end of September 2014, we had collected 32.5 million used garments from customers and donated 14.2 million items to those in need, including refugees, displaced persons and victims of natural disaster. We achieved this with the help of our global partner, the United Nations High Commissioner for Refugees (UNHCR), as well as NGOs worldwide.

From April through July 2014, we conducted our Deliver Warmth campaign in Japan, soliciting donations of warm clothes for Syrian refugees who have fled to Jordan. Participating customers were asked to write a message of encouragement on a heart-shaped card, so that we could deliver expressions of hope and compassion along with the clothes. The response was overwhelming, and we were able to deliver warm clothing and over 10,000 messages before the harsh winter set in.

Clothes protect people not only from the elements, but also from injury and infection. They help give children the opportunity to go to school, and women the courage to participate in their local communities. Fast Retailing is acutely aware of the value of clothes, and we are determined to provide them to the people who need them.



Responsible Environments and Procedures at Partner Factories



Fast Retailing has a Code of Conduct for Production Partners to ensure its clothing is always manufactured under safe and appropriate working conditions. We employ external institutions to regularly inspect partner factories. These inspections are designed to detect unlawful child or forced labor, enhance safety in the workplace and restrict unauthorized overtime work. We only work with partner factories that meet our strict standards. At partner factories that need to make improvements, members of our CSR department go there directly to offer practical advice and guidance. In fiscal 2014, we monitored 332 partner factories.

■ Enhancing Safety at Factories in Bangladesh

Following the 2012 Ashulia fire and the 2013 Savar building collapse, Fast Retailing signed the Accord on Fire and Building Safety in Bangladesh in August 2013. This was a commitment initiated by IndustriALL Global Union, a Geneva-based international workers organization. Moreover, Fast Retailing supplements its workplace monitoring activities in Bangladesh by conducting independent inspections of partner factories to check for any problems with fire prevention equipment and building structure.

■ Monitoring Results

Grade	Description	FY2012	FY2013	FY2014
		FR Group (UNIQLO)	FR Group (UNIQLO)	FR Group (UNIQLO)
A	No violations	9 (8)	11 (10)	1 (1)
B	One or more minor violations	87 (59)	134 (95)	175 (115)
C	One or more major violations	69 (51)	97 (45)	72 (32)
D	One or more severe violations	56 (34)	48 (19)	77 (17)
E	Highly unethical, serious offense (immediate review of contract)	8 (7)	4 (1)	7 (3)
Number of factories monitored		229 (159)	294 (170)	332 (168)

We stepped up our monitoring and guidance in fiscal 2014 following an increase in the number of D and E grades. For E-grade partner factories, we revise our production orders, and ultimately terminate business altogether if the situation does not improve.

Minimizing Environmental Impact Across the Whole Supply Chain



Fabric producers use large amounts of energy, water and chemicals in the dyeing process.



We do frequent checks to ensure appropriate effluent disposal.



We also enforce proper legal management of effluents.

In 2014, Fast Retailing instituted a new basic environmental strategy that aims to minimize the environmental impact of processes across the entire supply chain. In addition to our current monitoring of working conditions at sewing factories, we also monitor the commitment to environmental protection at fabric manufacturers, whose processes can have a particularly harmful impact on the environment.

Under its Environmental Guidebook for Fabric Producers, Fast Retailing conducts independent monitoring in six areas: 1. Environmental Management; 2. Chemicals Management;

3. Waste Materials Management and Disposal; 4. Treatment of Asbestos and PCBs; 5. Measurement and Management of Effluents (discharged water, etc.); and 6. Worker Health and Safety. In fiscal 2014, we monitored 62 fabric producers. The compliance score for Worker Health and Safety was low because while gloves and other protective equipment had been distributed, some workers were not wearing them. Our CSR team works hard to boost compliance ratings by providing feedback to fabric manufacturers and offering advice and guidance on how to improve factory processes.

■ Compliance with FR Environmental Guidebook for Fabric Producers (as of August 2014, 62 fabric producers)

Category	Compliance		Required Improvements
	FY2013	FY2014	
Environmental Management	85%	90%	<ul style="list-style-type: none"> Appointing Environmental Officers Training on environmental management Environmental management planning
Chemicals Management	29%	35%	<ul style="list-style-type: none"> Creating detailed lists of chemicals used Safe storage of chemicals (e.g. installing containers to prevent leakage, labeling, appointing Chemicals Management Officers, compiling and sharing of safety information)
Waste Materials Management & Disposal	30%	34%	<ul style="list-style-type: none"> Delivering waste materials to certified contractors Separate treatment (e.g. of chemical and other waste), labeling Safe storage of waste materials
Asbestos & PCBs	100%	97%	<ul style="list-style-type: none"> Appropriate confirmation and management of asbestos and PCBs
Measurement & Management of Effluents (Discharged Water, etc.)	74%	74%	<ul style="list-style-type: none"> Obtaining emissions permits and other licenses from the authorities Measuring effluents from facilities and complying with legal standards
Worker Health & Safety	36%	27%	<ul style="list-style-type: none"> Wearing protective clothing (masks, earplugs, gloves, etc.) Ensuring existence of emergency exits and fire safety equipment Conducting health checks for occupational diseases

Global Brand Ambassadors Take the World by Storm

2014 was a stellar year for the three professional tennis players who serve as UNIQLO Global Brand Ambassadors. Kei Nishikori became the first Asian man to advance to the finals of the U.S. Open. Novak Djokovic ended 2014 as the world's No.1 professional men's tennis player, having won his third straight victory at the ATP World Tour Finals. World champion wheelchair tennis pro Shingo Kunieda won the calendar Grand Slam with his victory at the 2014 U.S. Open USTA Wheelchair Championships in September.

In June 2014, Fast Retailing signed a contract with the International Tennis Federation (ITF) to become title sponsor of the Wheelchair Tennis Tour. The UNIQLO Wheelchair Tennis Tour will cover 160 tournaments annually, hosted by the ITF, in over 40 countries over the next three years.

As these three players impress fans the world over, UNIQLO will continue to support them by designing the highest quality tennis wear and sponsoring sporting events worldwide.



Kei Nishikori



Shingo Kunieda (center), at the press conference to announce the signing of the FR-ITF sponsorship agreement, with Kei Nishikori (left) and Novak Djokovic (right)