





Many women working in UNIQLO partner factories in Bangladesh and Indonesia experience instability in their lives, sometimes lacking sufficient knowledge and skills to effectively treat or prevent illness in the home, or to ensure healthy pregnancy and childbirth. UNIQLO uses part of the profits from local collections to fund its Factory Worker Empowerment Project, which offers educational programs for female workers on topics including nutrition, hygiene and health management.

**WE BELIEVE
IN THE
POWER OF
CLOTHES**

Working with Society, for Society



- ▶ We closely monitor manufacturing processes to improve working environments, ensure product safety and minimize environmental impact across the entire supply chain from clothing manufacture to retail. We seek to ensure responsible procurement that protects workers' rights and the environment.
- ▶ Fast Retailing donates clothing to people in need through the All-Product Recycling Initiative and other CSR activities, so that more people can experience the joy and happiness of clothes.
- ▶ We revolutionized the apparel industry with our unique clothing business. Now we are determined to use clothes-focused CSR initiatives to transform society, and help make the world a better place.



WORKPLACE MONITORING

Ensuring Responsible Workplaces and Environmental Protection

Fast Retailing's Code of Conduct for Production Partners is designed to ensure its clothing is manufactured under safe and appropriate working conditions, and with minimal environmental impact. We employ external institutions to regularly inspect working environments at all primary partner sewing factories. Members of our Sustainability Department visit any factory that needs to make improvements, in order to offer practical advice and guidance. From September 2015, we also began monitoring working conditions and environmental

impacts at fabric manufacturers, as these partner factories constitute 70% of UNIQLO production volume.

To monitor working conditions more effectively, we are encouraging production partners to employ their own sustainability officers and develop internal inspection systems. In July 2015, we joined the Fair Labor Association (FLA), an international non-profit organization promoting adherence to international and national labor laws, to further safeguard the human rights of workers at partner sites.

Monitoring Results

Grade	Description	FY2013	FY2014	FY2015	FY2016
		FR Group (UNIQLO)	FR Group (UNIQLO)	FR Group (UNIQLO)	FR Group (UNIQLO)
A	No violations	11 (10)	1 (1)	5 (1)	55 (25)
B	One or more minor violations	134 (95)	175 (115)	202 (115)	239 (125)
C	One or more major violations	97 (45)	72 (32)	171 (73)	160 (65)
D	One or more severe violations	48 (19)	77 (17)	75 (28)	44 (16)
E	Highly unethical, serious offense (immediate review of contract)	4 (1)	7 (3)	19 (10)	13 (6)
Number of factories monitored		294 (170)	332 (168)	472 (227)	511 (235)

In fiscal 2016, direct visits from FR Sustainability Department experts and improved support boosted the number of A and B grade partner factories. FR plans to offer stronger guidance after finding many D-grade partner factories were having trouble incorporating legal changes to employee compensation and benefits.

We revised production orders for E grade partner factories.

ALL-PRODUCT RECYCLING INITIATIVE

One Item of Your Clothing Can Change the World

Fast Retailing's All-Product Recycling Initiative, started in 2006, collects gently used clothing from UNIQLO and GU customers and delivers it to those in need around the world, including refugees and displaced persons, with the help of our global partner, the United Nations High Commissioner for Refugees (UNHCR), and non-profit organizations worldwide.

In fiscal 2016, our Ten Million Ways to Help project achieved its target of collecting 10 million items of clothing by Refugee Day on June 20. In fact, thanks to additional support from business partners and Group employees, the final total, 12.81 million items, far exceeded that initial target. A portion of the clothing was then distributed by UNIQLO and GU volunteers to refugees and displaced persons in Uganda, Rwanda, Malaysia, Russia and other countries. We are now looking to extend donations to Bangladesh and Zimbabwe.

Clothes protect people against not only heat and cold, but also injury and infection. They help give children the opportunity to go to school, and women the courage to participate in their local communities. We are determined to keep providing clothing to people who need it.



Grandmother with grandson
Kyrgyzstan

Total Number of Items Donated through Our All-Product Recycling Initiative (end August 2016)

