



## Ryohin Keikaku Co., Ltd. (MUJI)

# 2018 Communication on Progress

Time period: September 2017 - September 2018

In September 2013, RYOHIN KEIKAKU joined the United Nations Global Compact (UNGC), an international initiative to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption. Since then we are committed to responsible and ethical business practices through various CSR activities so as to play an important role towards sustainable society.

For further details please refer to "100 Good Things" in our website (<https://ryohin-keikaku.jp/eng/csr/list/>).

Tokyo, September 12, 2018

**Satoru MATSUZAKI**

President & Representative Director

### Human rights

Plans current period	Achievements current period	Plans for next period
<p><b>Café&amp;Meal MUJI Donation Menu</b> Café&amp;Meal MUJI in Japan supports TABLE FOR TWO, a program run by TABLE FOR TWO International to combat world hunger. By paying 20 JPY more for a specific meal, a customer can invite a child in a developing country to one hot meal at school. TFT program enables us to donate 20 JPY for each reduced-calorie meal we order at canteens and restaurants. While eating healthily and looking after ourselves, we are also giving the equivalent of one hot school meal to a child in Africa, resulting in a positive outcome for both sides.</p> <p>ref (Japanese only): <a href="https://cafemeal.muji.com/jp/table-for-two/">https://cafemeal.muji.com/jp/table-for-two/</a></p>	<p>In October 2017 we participated in the World Food Day. We sold 19,920 TFT meals in Japan during March 2017 to February 2018.</p>	<p>Same as current period.</p>

**Labour**

Plans current period	Achievements current period	Plans for next period
<b>Product Development in Kyrgyzstan</b> We collaborate with the Japan International Cooperation Agency (JICA) on a joint product development as part of the One Village One Product Projects (OVOP) in the developing nations. OVOP stimulates local industry that uses the local resources, such as felt products from Kyrgyzstan.	We started with the planning of Christmas gifts, but since 2013 a challenge was set to develop products that we can sell throughout the year such as cushions and slippers. In fiscal 2017 we ordered 32.6 million JPY which was +50% vs prior year.	Same as current period.
<b>Employment of the disabled</b> We actively employed the persons with disabilities under the name of Heartful Project and was awarded as one of the excellent companies that promote the employment of the disabled by Tokyo Employment Development Association in October 2010.	The Heartful Project began in 2009. With the cooperation of Store Sales Department, the number of disabled employment grew in both headcounts and workplace since then. The ratio increased from 1.44% in 2009 to 4.73% as of February 2018. In total 395 people work either at the stores or in back-office as colleagues.	Same as current period.
<b>Doi Tung Development Project (DTDP)</b> Doi Tung is the high mountain area in the border of Thailand, Myanmar and Laos. DTDP is the project in Thailand to help local ethnic minorities resolve the problems of poverty and eliminate opium trade. Our Café&Meal MUJI sells coffee blended with this Doi Tung brand beans. The same beans are also available at MUJI stores in Thailand.	We use the coffee beans since 2014. The consumption grew up to 3 tons in fiscal 2017. Since the opening of the MUJI ZEN flagship store In September 2017, we sold 180,000 JPY of coffee and coffee beans in Thailand by the year end.	Same as current period.



## Environment

Plans current period	Achievements current period	Plans for next period
<b>Selection of materials and streamlining of processes</b> We conserve resources by using reclaimed materials, by recycling fabric offcuts, surplus thread, and other materials that may have been discarded or neglected.	We stock manufacturing by-products as well as rejected goods that were damaged or stained during distribution process. Since October 2014, we team up with a variety of corporate partners and designers to give them a new lease of life as recycled products in our POOL recycling initiative. We sold in Japan 489 pieces of the first product, stool covers made with a patchwork design composed of material offcuts from fabric manufacturing. We continued to develop other products such as handkerchief made of left-over fabrics, irregular white porcelain tableware painted by disabled artists, etc.	Same as current period.
<b>Simplification of packages</b> We strive to avoid packaging, or if needed, to keep at minimum.	Since 2014, our apparel business is trying to avoid individual packaging. In food business, sales of simplified retort-packed food increased considerably.	Same as current period.
<b>Textile recycling</b> BRING Project is a joint corporate initiative toward recycling-oriented society that began in 2010 in Japan. It aims at 100% recycling of clothing and fabrics into bioethanol using a new technology.	We collected about 22.2 tons of used clothes in Japan during April 2017 to March 2018. In March 2015 we started to re-dye and sell clothes which were collected but still usable as ReMUJI item. Since September 2015 we do the same for manufacturing by-products as well as rejected goods that were damaged or stained during distribution process. We sold altogether 4,000 pieces during September 2017 to August 2018 at 6 stores in Japan.	Same as current period.
<b>Plastics recycling</b> We are participating in the BRING PLA-PLUS Project since start-up. It is a recycling field test for plastic products other than packing materials by Japan's Ministry of Environment.	7th BRING PLAS-PLUS Project events were held by 47 entities and organizations. We collected MUJI plastic products for recycle at 20 stores in and around Kanto area in Japan during February 16 to March 9, 2018.	We will participate if the same campaign will be held during the next period.

## Anti-corruption

Plans current period	Achievements current period	Plans for next period
<b>Relationship with business partners</b> "Ryohin Keikaku : Environment, Labour, and Safety Management" is included in all agreements with contract manufacturers as one of the requirements. We monitor the status by sending questionnaire to all contractors once a year and report at the Business Partners Meeting.	In June 2015 we issued "Seven Pledges by Ryohin Keikaku to Business Partners" to maintain fair and sound relationship. We formalized our basic commitments such as punctuality and reliability. The partners are asked to answer the anonymous survey about our achievement level, which we monitor ourselves. We believe that the relationship with mutual respect is one of the important factors for better products.	Same as current period.

## Others

<b>Clean-up outside office building</b>	Since February 2008, employee volunteers clean up the surroundings of the head office building in Tokyo once a month.
<b>Kamogawa Satoyama Trust (Satoyama: an area of farmland and mountain foothills)</b>	The terraced rice fields are increasingly difficult to sustain as the local population ages. We co-sponsor hands-on farming events where participants applied through our website help plant, weed and harvest in the rice fields.
<b>Campsite business</b>	In Japan we manage a combined total of some 230 ha of forest reserve, located in the surrounds of the three campsites we operate (Tsunan, Minami-Norikura, and the Campagna Tsumagoi). There we hold events that helps to learn the importance of nature, such as the outdoor programs which we invite locals to join in as hosts, or Kids' summer camp.

## How to communicate COP to stakeholders

Publish on the Global Compact website

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