



CSR BOOK

Extending the joy of fashion into the future

OUR SOCIAL RESPONSIBILITY

Extending the joy of fashion into the future.

Fashion has the power to inspire us, every day.
Let's start by doing what we can as we enjoy our lives,
for the environment,
for people and for the communities we live in.
Because the best way
to keep doing good is to have fun doing it.

Play fashion!



TOP MESSAGE

We want to be a Company that brings joy to the world through fashion, now and in the future; uses fashion to solve the wide range of problems that communities face; and works with customers, employees and regional communities to create new value in fun ways.



福田 三干男

Michio Fukuda

President and Representative Director

KEY CSR THEMES

At Adastria, we built our business by connecting to society from countless perspectives, from big-picture takes on regional communities and nature to the people, things and issues closest to us. Today, however, we confront numerous issues in the society we live in that must be addressed for our business to continue: issues such as global warming, low birthrates coupled with an aging society, and depopulation of rural areas. Upon careful consideration of these social issues and their relationship with our business, we have identified three key themes with which we must grapple.



Protect the Environment

We're reducing the environmental impact of our business, to make the fashion world sustainable.



Make People Shine

We are creating an environment that is full of joy everyday for customers, employees and everyone we deal with.



Grow with Communities

Adastria lives in harmony with regional communities and works with them to create new value.

ENVIRONMENT



Protect the Environment

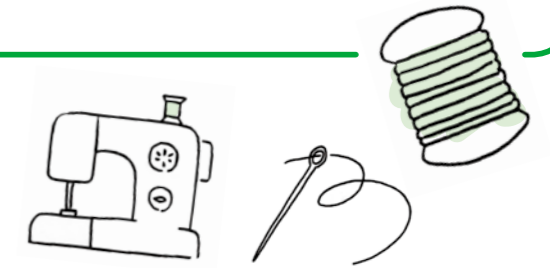
Our products and services consume resources and energy before they reach the customer.

As environmental problems grow ever more serious on a global scale, we need to keep working toward a solution with unrelenting effort. At Adastria, we are committed not only to reducing environmental impact from our business but also proposing ways to enjoy fashion sustainably.

VISION

Production That Connects to the Future

One way we are reducing environmental impact is by reviewing the materials and processing methods we use to make our products, with the aim of achieving sustainable production. The issues involved are wide-ranging, but we are starting with what we can do now and working steadily to resolve them one step at a time.



CASE 01

Our products use a large amount of cotton. Adastria is working diligently to source its cotton sustainably, with a goal of producing all cotton-containing products with sustainable materials by 2025.



studio CLIP patterned wide tapered pants



BARNYARDSTORM double-pocketed shirt



mysty woman long-sleeved T-shirt with message



CASE 03

Adastria employees participate in organic cultivation of Japanese cotton at Watarase Ecovillage. Through this exercise, employees learn important processes of environmentally friendly production through the effective use of fields.



CASE 02

Alongside its efforts focused on cotton, Adastria is working in other ways to reduce environmental impact from production activities. We use recyclable materials, as well as sustainable materials from plants. To reduce water consumption, Adastria applies a water-saving bleaching process called ozone bleaching.



BAYFLOW slim-cut distressed denims 20SS



niko and... ECO field parka

VISION

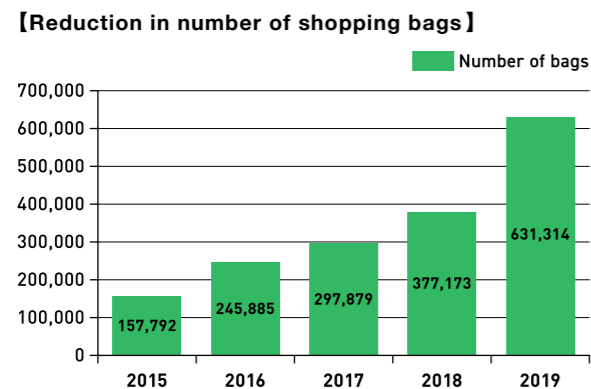
Caring for the Environment While Taking Care of Business

To make the fashion industry sustainable, consideration for the environment must be built into processes before products and services reach the customer. One approach we have begun is to reduce environmental impact by encouraging the use of personal shopping bags. Through efforts such as these, we are co-creating a sustainable shopping style with our customers.



CASE 01

Our Rebag Project awards points to members for giving up using new shopping bags. So many customers are taking part in this project that, in the five years since its inception, Aداستريا has cut shopping-bag use by a cumulative 1.71 million bags. This program reduces resource consumption while offering people a fun and easy way of doing their part to care for the environment.



CASE 02

We sell eco-bags made with sustainable materials, from a wide range of brands. This multi-brand selection enables customers to coordinate their personal shopping bags with their personal styles and their outfit and needs on that day.



Re BORN to BAG



Eco-bags made with reused leftover fabric

STAFF'S VOICE

We continuously inform customers of the significance of our work. As a result, customers support our stance in consideration of the environment.

Kobayashi, Manager, GLOBAL WORK Aeon Mall Toin Store

We try to give customers a genuine feeling that carrying an eco-bag is a fun and eco-friendly shopping style.

Ushida, Manager, studio CLIP Aeon Mall Fuso Store

We tell members who arrive without a personal shopping bag that they can earn points if they bring one the next time.

Ozaki, Manager, LEPSIM Aeon Town Hofu Store

The Rebag Project is one way of communicating our efforts to work with customers for the environment.

Tanase, Manager, studio CLIP MALera Gifu Store

We offer proposals for shopping bags in conjunction with other stores. Also, when customers place back-orders and layaway orders, we ask them to bring their personal shopping bags when they come in.

Odagawa, Manager, GLOBAL WORK Youme Town Hatsukaichi Store

VISION



A World Without Fashion Loss

Fashion loss (scrapping of apparel inventory) is a serious issue in the fashion industry. To address this problem, Adastria has decided to eliminate the scrapping of apparel inventory by incineration. With the three Rs (reduce (do not overproduce), reuse, recycle) as our core stance, we take a range of steps to avoid incinerating and discarding products.

CASE 01

Adastria puts measures in place to produce only the correct quantity of products and not overproduce. We are enhancing the accuracy of our forecasting of order timing and sales volume. At the prototype stage, we have established a framework for obtaining product evaluation by large numbers of employees.



CASE 02

Adastria opened a forum, For Fashion Future, to break down the walls between companies and engage in real dialogue about the problem of inventory scrapping. From that exercise was born Fromstock, an upcycling brand, as a means of addressing the issue. Also, Adastria joined the Social Emergency Management Alliance (SEMA), an emergency-response alliance, and has begun putting inventories to use as disaster-response materials.

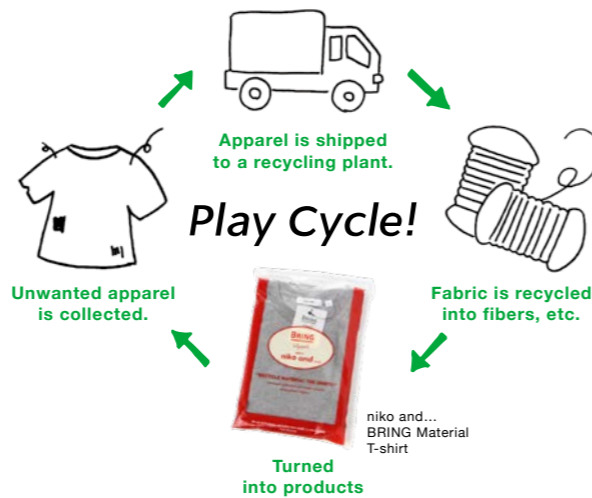


FROMSTOCK

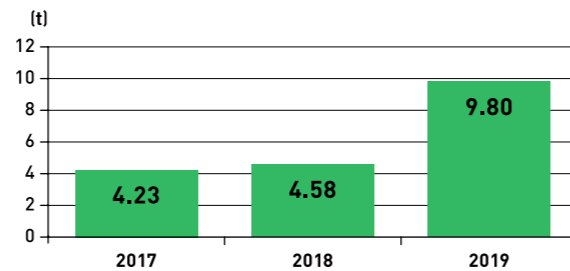


CASE 03

Adastria is working in other ways to eliminate scrapping of apparel as well. Play Cycle! is a program to collect unneeded clothing from customers and recycle it into new resources. Kidsrobe is a service for sharing clothes that children have outgrown.



[Results from the Play Cycle! apparel collection program]



PEOPLE DIVERSITY



Make People Shine

Our business is supported by large numbers of customers, employees and others. The roles expected of companies are constantly changing in Japan, amid a declining birthrate and aging population as well as the diversification of customer needs. At Adastria, we believe it is our responsibility to support everyone in making their lives and careers more fun through fashion. Staying true to ourselves, we will continue to fulfill this responsibility one step at a time, starting with the things we can do now.

VISION

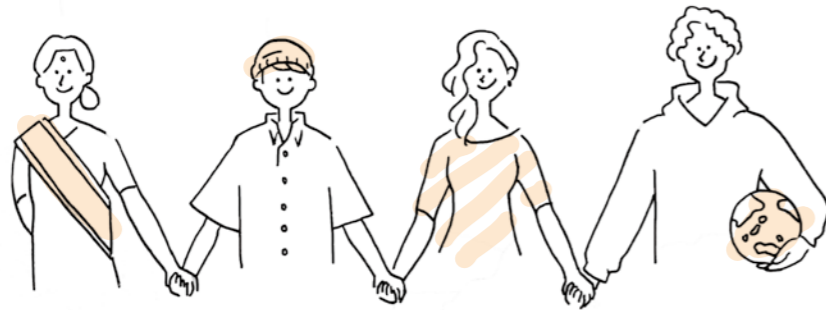
An Organization in Which Diverse Individuality Flourishes and Grows

Adastria is dedicated to respect and mutual recognition of people's individuality in all its diversity, regardless of age, sex, nationality, ability or sexual orientation.

We believe that when all employees can leverage their richly varied mix of strengths to maximum effect, they can engage in vigorous discussion

from viewpoints never before considered—and the Company will grow as a result.

Adastria is moving forward with efforts to furnish environments and frameworks in which employees can put their abilities to work in amazing ways and to back their careers all the way.



CASE 01

To enable employees to further upgrade their skill sets, Adastria offers role-playing training in customer service. Employees who earn certification as possessing exceptional customer-relations skills are awarded a Service Skill Certification (SSC) badge.

Project A, a project to recruit applicants in-

house for new business initiatives, cultivates the next generation of business directors with valuable experience. Recognizing that the future is in our children's hands, Adastria encourages the aspirations of junior-high and high-school students by enabling them to experience real workplace environments.



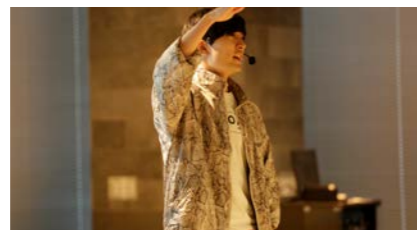
Workplace experience



Customer-service role-playing event



Project A: Presentation of final selection



CASE 02

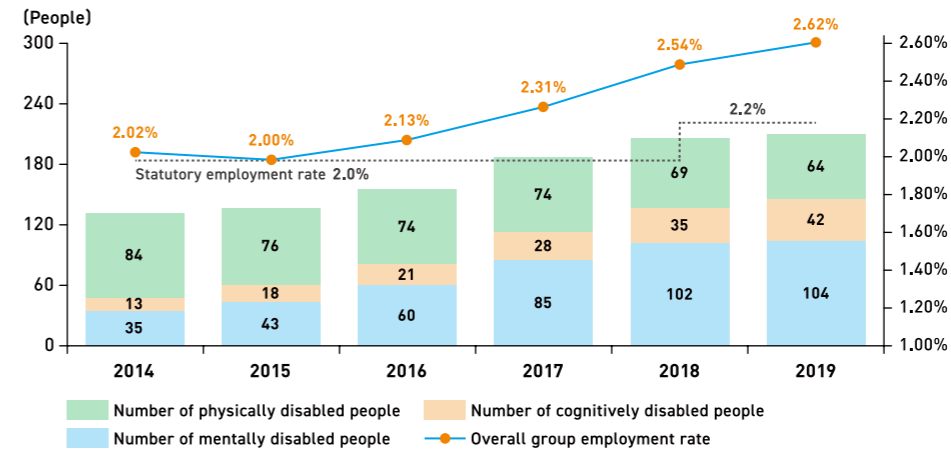
Employees with a wide range of unique characteristics and talents work at the Adastria Group.

The Group provides in-house training to deepen understanding of people of different sexualities and promote mutual respect. Adastria General Support Co., Ltd., a Group company, provides attentive support to disabled staff members, maximizing opportunities for them to apply their skills to the fullest and be active in a wide range of fields.



In-house training ADASTRIA DIVERSITY MEET UP

[Disabled-person employment rate]



[Number of non-Japanese employee]



CASE 03

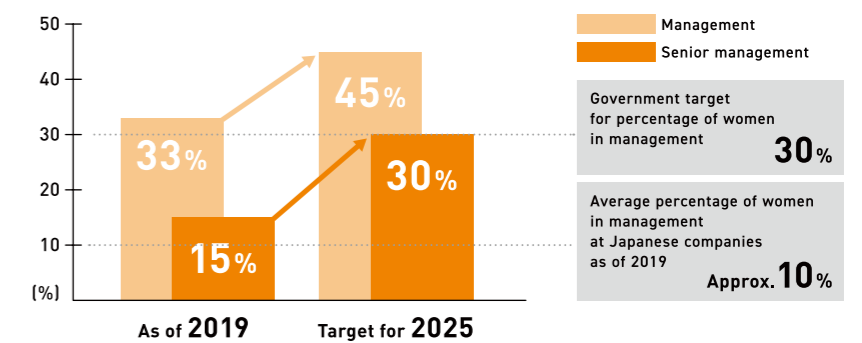
A majority of Adastria Group employees are women, and women comprise the principal customer base for many Adastria brands. Adastria believes that organizational diversity is vital for product development meeting a wide variety of needs, as well as for constant improvement

of quality of service. Against this background, the Company aims to raise the percentage of women in senior management (department head and above) to 30% or more by 2025. Adastria is supporting the career advancement of women through in-house seminars and other events.



Diversity meeting A (in-house seminar)

[Target for percentage of women in management]



※Companies surveyed: Group companies in Japan

TOPICS

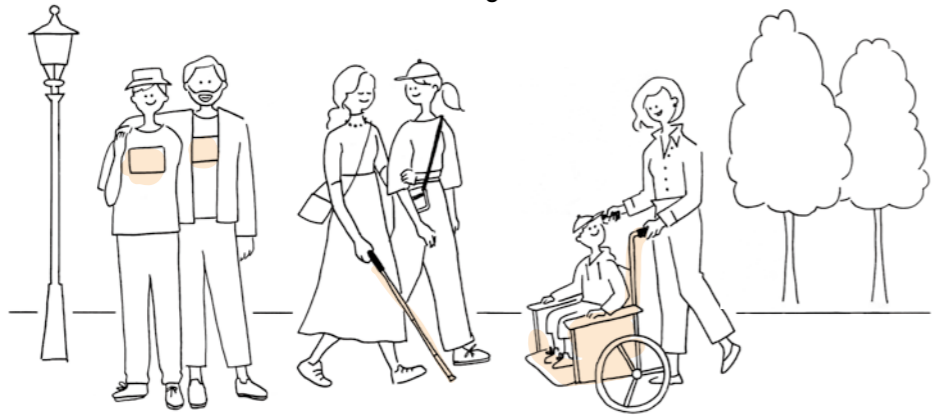
A recent commercial for niko and... used the percussion and shouting choral group otto & orabu, of Shobu Gakuen, run by Taiyokai, a social welfare service corporation. The group's bold and free musical style made a powerful impression, superbly matching the world-view of Adastria.

otto & orabu

VISION

A Society in Which People Can Enjoy Fashion in Their Own Style

To satisfy as many customers as possible at a time when customer needs are diversifying rapidly, Adastria is developing products and services across multiple categories and brands. Our efforts are aimed not only at proposing ideas with something to suit every customer, but also to enable the unique character of each individual to shine through fashion.



CASE 01

Adastria wants to promote understanding of LGBTQs and help people of all sexualities to enjoy fashion. To these ends we are proud to participate in Tokyo Rainbow Pride and to support the activities of Out In Japan, a coming-out photo project.



OUT IN JAPAN



TOKYO RAINBOW PRIDE

CASE 02

Disabled people face special concerns and issues when expressing themselves through style. Adastria proudly supplies materials to Co-FUKU Workshop from A, a project that seeks to understand these challenges and work with the disabled to resolve them through workshops.



CO-FUKU workshop from A (photo by Susumu Nagahamaya)

COMMUNITY



Grow with Communities

Adastria does business globally, whether we are opening stores, producing goods or operating logistical bases. To continue to bring people joy through fashion, Adastria must learn about the needs and characteristics of regions from a global perspective, whether those regions are in Japan or overseas, to create new value for them through the power of fashion. Through the business operations we deploy, we aim to be an indispensable presence, driving regional activation and growth.

VISION

Energizing Regions in Which We Open Stores, Through Fashion

For a company like Adastria, which has opened stores in a wide range of regions both in Japan and overseas, ties to regional communities are vital. Adastria deploys its branch system to operate stores in ways that meet each region's needs.

In Mito, Ibaraki Prefecture, the birthplace of Adastria, the Company conducts activities to contribute to the region.

While the issues confronting each region are widely varied, Adastria is committed to finding solutions through the power of fashion and creating new value oriented toward the future.



CASE 01

The Adastria branch system distributes stores throughout six of Japan's regions. These stores conduct events with close connections to each region, such as yoga classes

and work-experience exercises. In efforts to energize the regions in which we do business, we also sell products developed in collaboration with shops unique to each region.



studio CLIP organic-cotton tote bags

CASE 02

Adastria supports the ongoing recovery of Japan's Tohoku region following the Great East Japan Earthquake. The Company is a participant in the region's Tohoku Cotton Project. Through HARE, Adastria is creating employment in disaster-stricken areas of Tohoku by means of the Samurai ALOHA product series. To prepare for future disasters, the Company has established a framework for distributing products as disaster-support goods.



CASE 03

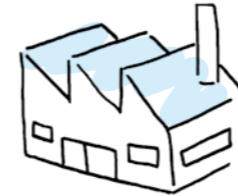
Adastria is committed to the continuous development of its hometown, the City of Mito in Ibaraki Prefecture. The Company is proud to support the Mito Chamber Orchestra and to be an official sponsor of the Ibaraki Robots, the local franchise in Japan's professional basketball league, the B.League.



Mito Chamber Orchestra

VISION

Sustainable Development in Producing Regions



Adastria products are manufactured in various regions worldwide. Sustainable development in those regions enables reliable sourcing of high-quality products from those regions. To ensure that we can continue to source products in a spirit of mutual growth and favorable partnership, we set procurement policies and guidelines and require our business partners to comply strictly with them.



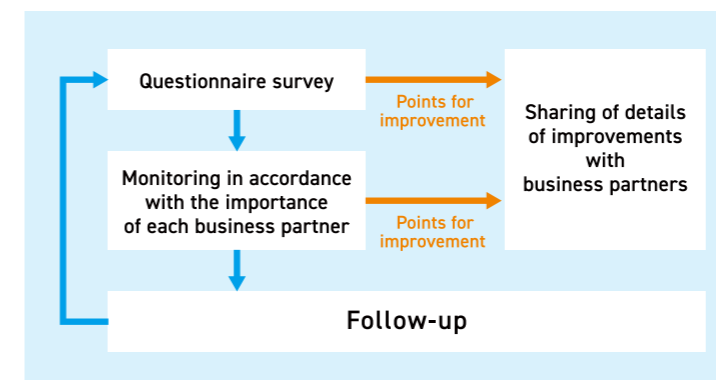
Adastria is also taking steps to recognize plants that produce Adastria apparel products and enjoy strong bonds of partnership with local communities by awarding them certified-plant status.

The Company is working to enable most Adastria apparel products to be produced at certified plants by 2023.

CASE 01

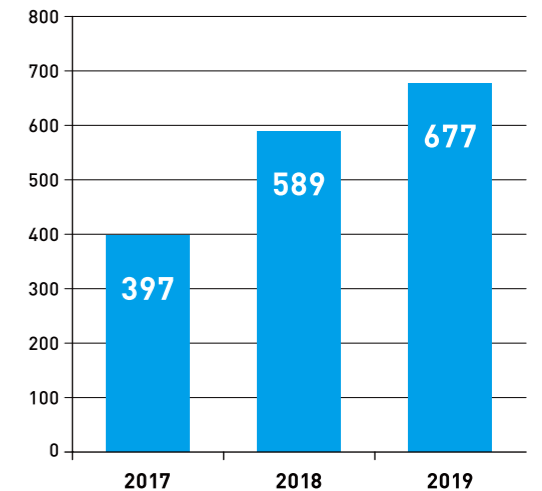
Our procurement policies and guidelines clearly stipulate that business must be conducted on the basis of respect for human rights, appropriate work environments and consideration of the environment. We regularly verify the status of compliance through plant visits and questionnaire surveys of business partners based on these guidelines.

[Flowchart of CSR procurement monitoring]



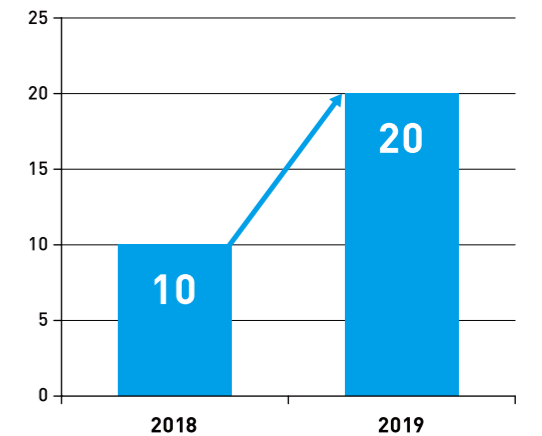
[Number of companies with which Adastria has concluded guideline agreements]

(Number of companies)



[Number of partnership-certified plants]

(Number of companies)



To Be an Indispensable Company with Indispensable People

The corporate philosophy of the Adastria Group is,
“Be an indispensable person. Be an indispensable Company.” Guided by this maxim,
 Adastria takes care to conduct business fairly, impartially and transparently.

For this purpose we have established group ethical standards
 that clearly stipulate strict compliance with social morals and respect for human rights.

All Adastria employees carry out their duties in accordance with these standards.

It is vital that all employees maintain personal discipline at all times
 and conduct themselves with a strong sense of ethics.

Internal Initiatives

Adastria takes the prevention of harassment seriously. The Company’s Terms of Employment clearly prohibit harassing behavior. To raise awareness of the problem, we conduct in-house training. We have instituted an internal reporting system, putting employees in touch with external legal counsel and whistle line coordinators, to provide an environment in which employees’ voices can and will be heard.

In the event of an incident or unlawful act within the Company, crisis-management officers and internal auditors investigate the causes of the matter and promptly implement countermeasures.



External Initiatives

Not only in Company-internal matters but in purchasing relations as well, Adastria insists on fair, impartial and transparent dealing. We have implemented a business-partner hotline and an annual questionnaire survey by our Internal Control Department, among other measures, to confirm that fair trading relations are being maintained.

As a means of ensuring that human rights are respected at production plants, the Adastria Group has established clear procurement policies and guidelines. Among other provisions, these policies and guidelines prohibit the use of child labor and unfair labor practices.



A

ABOUT US

Adastria Co., Ltd.

Head office | 27F Shibuya Hikarie, 2-21-1 Shibuya, Shibuya-ku, Tokyo

Telephone | +81-3-5466-2010 (switchboard)

Date established | October 22, 1953

Paid-in capital | 2.66 billion yen

Operations | Planning, manufacture and sale of apparel and sundries, etc.



csr.adastria.co.jp



@adastria_official

A D A S T R I A

Play fashion!

