

Fast Retailing Group Environmental Policy

Inspired by the corporate statement of “Changing clothes. Changing conventional wisdom. Change the world,” the Fast Retailing Group’s mission is to contribute to the fulfillment of people’s lives and grow in harmony with society by providing customers around the world with high quality and comfortable clothes.

We believe that conducting business in an environmentally conscious manner will lead to healthy business growth by lowering costs through enhanced productivity and efficiency, while offering attractive products and services that delight customers. Collaborating with our partners, we will become a more sustainable business by reducing waste inside our company and across our supply chain, promoting effective resource use and utilizing innovative technologies that contribute to the reduction of environmental impacts. In addition, we will work towards a more sustainable society in cooperation with our employees and customers, by creating more environmentally conscious stores and products while promoting the recycling of used clothing to minimize waste.

We recognize the importance of international efforts to promote action around environmental sustainability such as the long term targets set by the Sustainable Development Goals (SDGs) and the United Nations Framework Convention on Climate Change. We will accelerate our environmental initiatives by partnering with international organizations and external parties.

Environmental sustainability at Fast Retailing can be divided into five areas: “Climate Change,” “Energy Efficiency,” “Water Stewardship,” “Waste Management and Resource Efficiency,” and “Chemical Management.” This policy also applies to the entire Fast Retailing Group (including new business start ups), our supply chains, and product end-of-use.

In order to ensure that environmental activities are fully carried out based on this policy, we will work to improve environmental performance by establishing an environmental management system, setting concrete targets and continuously elevating them. Furthermore, we will actively disclose information related to the environment and safety, and work towards increasing public trust.

In addition, collaboration and cooperation throughout the apparel industry will be critical to creating a more sustainable world. We will participate in industry-wide sustainability initiatives and promote dialogue with various stakeholders as needed according to country and region-specific topics and global issues.

Climate Change

We will measure greenhouse gas emissions caused by our business activities including the use and disposal of our products by our customers, and make efforts to reduce those emissions to combat climate change and protect biodiversity. We acknowledge the goal set forth for the global reduction of greenhouse gases as put forth by the United Nations Framework Convention on Climate Change (Paris Agreement), and will determine our reduction target and implement action plans accordingly.

○ Our Company

We will enhance our energy saving measures by improving the efficiency of our operations, as well as introducing innovative technologies and reviewing the design of our stores and offices worldwide. We will reduce greenhouse gas emissions by consuming less energy. At the same time, we will promote the use of the energy which emits fewer greenhouse gases for our stores and offices. In the product planning stage, we will promote the use of the raw materials that are produced with lower greenhouse gas emissions.

○ Our Supply Chain

We will measure the greenhouse gas emissions of our production partners, suppliers and distributors, and make efforts to reduce those emissions in cooperation with them.

○ Our Customers

We will contribute to a reduction in greenhouse gas emissions by our customers by providing functional clothes which help potentially lead to a reduced energy consumption in the everyday lives of our customers. When a customer no longer wears our product, we will collect and utilize the garment for reuse or recycling, promoting the circularity of the products and materials in cooperation with the customers, and potentially contribute to a reduction in greenhouse gas emission through the more efficient use of resources.

Energy Efficiency

A great deal of energy is consumed throughout our business activities from the machines that produce our products and the vehicles that distribute them, to the lighting and air conditioning used in our stores. We acknowledge energy-related targets in the countries and regions where we operate, and energy saving measures will be implemented in cooperation with the partners in our supply chain and customers in those markets.

○ Our Company

We will promote energy saving through more efficient operations, as well as introducing innovative technologies and reviewing the design of our stores and offices worldwide.

○ Our Supply Chain

We will measure the amount of energy consumed by our production partners, suppliers and distributors, and promote greater energy efficiency in our supply chain by improving productivity, along with encouraging the introduction of more energy efficient equipment, in cooperation with those partners.

○ Our Customers

We will work towards a more energy efficient society by providing functional clothes which help potentially lead to reducing energy consumption in the everyday lives of our customers.

Water Stewardship

Water is vital to our business. Large amounts of water are used in the production of raw materials such as cotton and in the fabric dyeing process. We will not only work to prevent and reduce water pollution, but calculate the impact related to the use of water resources throughout our product life-cycle, identify the areas that have the highest impact and work to reduce them. Also, we will explore partnerships and industry initiatives to enhance our efforts.

○ Our Company

In the product planning stage, we will promote the use of the raw materials that are produced with fewer water resources, thereby contributing to a reduction in the amount of water used in the production of our products.

- Our Supply Chain

In cooperation with our production partners, we will look into the possibility of introducing technologies that use less water. We will encourage our production partners to adopt waste water treatment systems that can purify and recycle waste water.

- Our Customers

We will communicate ways that our customers can reduce the amount of water used over the life of the product, such as when washing the item.

Waste Management and Resource Efficiency

Waste is a valuable resource that can be reused when managed properly. We will reduce the amount of waste generated from our business activities, including the disposal of products that our customers no longer need. We promote reuse and appropriate management of waste in other ways, engaging proactively in resource recycling. In order to achieve a circular economy and maximize resource efficiency, we also work towards reducing resource usage and promote reuse and recycling. The most important way to improve the efficient use of resources is to make sure that our customers use the apparel they purchase from us for as long as possible. We are committed to using resources efficiently by providing our customers with high-quality long-lasting apparel.

- Our Company

We will promote the recycling of resources by efficiently managing waste produced by our stores and offices worldwide. We will reduce the amount of raw materials used to produce shopping bags and product packaging while promoting the use of environmentally friendly materials to prevent environmental harm that could be caused upon disposal. In the product planning stage, we will explore the use of more sustainable fibers which will lead to greater resource efficiency. Additionally, for our products we will pursue timeless designs and greater durability. True to the LifeWear concept, we will create and offer clothing which our customers can enjoy wearing for a long time.

- Our Supply Chain

We will conduct research and development of new technologies that can improve efficiency in resource use, minimize waste during the production process and reuse waste material. In addition, we will minimize waste related to logistics by optimizing our

distribution methods and reusing packing materials. For waste that cannot be reused, we will manage and dispose of it in an appropriate manner.

- Our Customers

We will collect clothing no longer worn by our customers and offer the wearable items to people in need. Non-wearable items will be recycled or upcycled for various purposes.

Chemical Management

Chemicals play an important role in garment manufacturing processes, including dyeing, washing and finishing. In all our manufacturing processes, Fast Retailing strives to prevent and reduce water and air pollution and to minimize the risk of environmental harm through the careful management of chemical substances. Our goal is to eliminate emissions of hazardous chemicals in products and in production processes. With the cooperation of our business partners, we prioritize the safety of our customers and factory employees. We also partner with other organizations to solve industry-wide chemical management issues that are difficult to be addressed by a single company.

- Our Company

We will publicly release our Restricted Substances List that prescribes the standards for usage and emissions in our products and production process and periodically review the list based on the latest information.

- Our Supply Chain

We will make efforts to achieve zero emissions of hazardous chemicals by substituting chemicals of concern with other substances and conducting waste water inspections in cooperation with our production partners.