

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 six areas: Climate Change, Energy Efficiency, Biodiversity, Water Stewardship, Chemical Management, and Waste Management and Resource Efficiency. This policy applies to the entire Fast Retailing Group, including its companies and their activities, its supply chain, and its products post purchase.

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, such as through our RE.UNIQLO program, 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.

Biodiversity

Biodiversity is fundamentally important for a sustainable society. Fast Retailing's operations also rely on an ecosystem characterized by biodiversity, in areas such as: soil to grow crops including cotton; water stored in forests and wetlands; pastures for grazing sheep for wool. The apparel industry impacts biodiversity through its use of water and land when grazing livestock, and when farming, cotton, wool, and cashmere, as well as through wastewater from manufacturing. Fast Retailing aims to avoid and minimize the impact of its business on biodiversity, and works on initiatives to conserve and regenerate biodiversity.

Water Stewardship

Water is an essential component when making Fast Retailing apparel. Growing cotton used as raw material for apparel requires significant amounts of water. Fabric dyeing and other parts of the production process also require large volumes of water. We aim to protect the environment at every stage of the product life cycle; from raw materials

sourcing to manufacturing, sale, and consumer use, Fast Retailing also strives to identify and solve local water-related issues.

Our Water Action Plan with specific targets and measures supports the health of the local water environment by preventing and reducing water pollution and water usage. Many environmental problems cannot be solved by a single company working alone. This is why Fast Retailing partners with companies, organizations, and NPOs to protect precious water resources.

- Our Company

We carry out water risk assessments for stores and offices on a regular basis while implementing preventive measures and reducing water-related risks, such as flood. We also promote initiatives to identify and resolve local water-related risks and problems.

- Our Supply Chain

Focusing on areas with high water supply risk and factories that use a lot of water, we evaluate water use at our partner factories, working with each factory to reduce water consumption. In cooperation with our production partners, we will look into the possibility of introducing technologies that use less water. To prevent and reduce water pollution, we encourage our production partners to adopt wastewater treatment systems that can purify and recycle wastewater. When planning products, we encourage our production partners to use materials that can be produced using less 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.

Chemical Management

Chemicals play an important role in garment-manufacturing processes, including dyeing, washing and finishing. In these processes, we strive to prevent and reduce water and air pollution and to minimize environmental harm through the careful management of chemical substances. With the cooperation of our business partners, we ensure the safety of our customers and factory employees. Our goal is to eliminate emissions of hazardous chemicals in products and in production processes. We also partner with other organizations to solve industry-wide chemical management issues that cannot 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.

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. To achieve a circular economy and maximize resource efficiency, we work to reduce resource usage and to promote reuse and recycling. The most important way to improve resource efficiency is to ensure 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.