

Fast Retailing Group Policy on Responsible Paper Procurement

As a company that aims to help build a sustainable society, Fast Retailing Co., Ltd. and our brands including UNIQLO, Theory, GU, PLST, Helmut Lang, Comptoir des Cottonniers, Princess tam.tam and J Brand are committed to protecting the world's ancient and endangered forests and to efforts toward zero deforestation at the forest locations where its paper originates. Accordingly, we have established the "Fast Retailing Group Policy on Responsible Paper Procurement" which prioritizes design innovation that reduces the volume of paper we use and promotes the use of paper manufactured from sustainable raw materials.

1. Scope

Overall paper used for Fast Retailing Group's key business activities, including:

- Paper used for shopping bags;
- Paper used for product packaging;
- Paper used for promotional materials; and
- Office-use paper.

2. Basic Policy

When purchasing paper, preference will be given to sustainable paper products* such as:

- paper made with post-consumer recycled or other highly-recycled materials, as well as innovative Next Generation solutions, including paper made from alternative fiber sources;
- certified materials, such as paper certified by the FSC® (Forest Stewardship Council), having been produced using timber harvested without the destruction of environmentally and socially sensitive areas when virgin wood fiber is needed; and
- materials determined as sustainable, such as FSC® Controlled Wood, based on best-practice information, including information obtained through questionnaires to suppliers and industry.

*Fast Retailing Co., Ltd. defines sustainable paper products as follows:

- Paper products made using appropriate procedures in regard to: the logging of timber used as raw material, forest-related laws and regulations of the nation and region where the timber is sourced;
- Paper produced using timber harvested without the destruction of High Conservation Value (HCV) and High Carbon Stock (HCS) areas;
- Paper made from timber sources where the rights of Indigenous People and rural communities are ensured and their Free, Prior and Informed Consent (FPIC) is respected before new logging rights are allocated or plantations are developed;
- Paper products that are not from a company or companies involved in serious environmental or social issues related to raw material procurement or corporate activities; and
- For paper products made from non-wood sources, usage is not limited by this Basic Policy, however these materials shall also be sustainable.

3. Action Plan

By the end of 2020, Fast Retailing Co., Ltd. has switched its shopping bags to eco-friendly ones made from materials outlined in the Basic Policy above. For other uses of paper, the company will work to ensure these are derived from materials outlined in the Basic Policy by the end of 2022.

4. Our Approach

Fast Retailing Co., Ltd. will undertake the following approach:

- The content of this policy is to be reviewed periodically;
- In order to source paper complying with this policy, we will exchange information and undertake necessary efforts and cooperative activities with relevant parties including suppliers, external professionals, NGOs and corporations sharing the same values;
- In order to ensure the procurement of paper complying with this policy, quantitative targets and action plans will be established, and their progress will be made public; and
- If any of our suppliers are found to be sourcing from ancient and endangered forests, we will work with them to change practices and/or re-evaluate our relationship with them.