

Fast Retailing Responsible Product Policy: Wood-based and Forest derived Fabrics and Materials

Ancient and endangered forests* regulate our planet – providing clean air, fresh water, a stable climate and biodiversity. Fast Retailing and all of our subsidiary brands including UNIQLO are committed to protecting the world's ancient and endangered forests, including efforts toward zero deforestation, through our approach to procurement of wood-based and forest-derived fabrics and materials, and/or man-made cellulosic fibers as below.

*Indigenous forests, naturally rare forests, forests that have been made rare due to human activities, and other forests that are critical for biodiversity conservation.

1. Policies and initiatives on the procurement of wood-based and forest derived materials

Conservation of Ancient and Endangered Forests and Ecosystems

While it is commonly known that paper and wood come from forests, it is a little-known fact that trees are also being made into clothing. Fabrics originating from forest sources include viscose (also known as rayon), modal and lyocell are also covered in this “man-made cellulosic fabric” family.

Fast Retailing is committed to undertaking reasonable efforts in the following:

1. Assess and map our existing use of wood-based and forest-derived fabrics, and eliminate sourcing identified as coming from endangered species' habitats, and ancient or endangered forests.
2. Work to eliminate sourcing from companies that are logging forests illegally or tree plantations established after 1994, from areas being logged in contravention of indigenous and local peoples' rights, and/or from other suppliers identified as controversial.
3. Should we learn that any of our wood-based and forest derived fabrics are being sourced from ancient and endangered forests, endangered species' habitats or through illegal logging, we will investigate our supply chain, engage our suppliers to change practices, and/or re-evaluate our relationship with them.
4. These commitments are aligned with, and build on, the work of (a non-profit organization), which collaborates with brands and retailers to ensure their supply chains are free of ancient and endangered forests. To that effect, we will continue to work with Canopy and our suppliers to support collaborative and visionary solutions that protect remaining ancient and endangered forests.

Recognizing, respecting and upholding human rights and the rights of communities

Fast Retailing expects that all our suppliers respect the Universal Declaration of Human Rights and acknowledge indigenous and rural communities' legal, customary or user rights to their territories, land, and resources. To do so, Fast Retailing endorses the rights of Indigenous People and rural communities to give or withhold their Free, Prior and Informed Consent (FPIC) before new logging rights are allocated or plantations are developed. We request that our suppliers resolve complaints and conflicts, and remediate human rights violations through a transparent, accountable, and agreeable dispute resolution process.

Forest Certification for Fabrics

Where all of the above conditions from 1 to 4 described above under 'Conservation of Ancient and Endangered Forests and Ecosystems' are met, Fast Retailing will work to ensure that all remaining forest materials sourced from forests are from responsibly-managed forests, certified to the FSC® (Forest Stewardship Council) certification system, and where FSC® certified plantations are part of the solution.

Promote Industry Leadership

Fast Retailing looks to create a positive impact together with our suppliers, partners, and customers. As implementation progresses, Fast Retailing will work with suppliers, non-governmental organizations, peer brands, and other stakeholders that are part of the CanopyStyle initiative to support the protection of ancient and endangered forests and forward conservation solutions to reduce demand on our forests. We will also seek opportunities to educate and inform the public and our employees on these issues and solutions through our marketing and communications.

2. Key Performance Indicators and commitments:

Based on the above policy, Fast Retailing has set the following KPIs:

1. Fast Retailing commits to only source man-made cellulosic fibers from sources that are neither Ancient nor Endangered forests. Fast Retailing has developed and regularly updates a list of preferred man-made cellulosic fiber mills to source from and encourages suppliers to source fibers from mills on the list.
2. Fast Retailing requires its wood-based and forest-derived fabric suppliers to annually declare the man-made cellulose fiber manufacturers from which they source all our products. Fast Retailing will verify annually that the fibers supplied by these declared man-made cellulose fiber suppliers consistent are with this policy. Verification will be through independent third-party reports and audits, such as the CanopyStyle Audit and the Hot Button Report.
3. Fast Retailing promotes use of raw materials that minimize environmental impact, in relation to: chemical management, soil fertility, biodiversity, and greenhouse gas emissions. Fast Retailing also aims to increase the proportion of recycled materials and materials with low greenhouse gas emissions to approximately 50% by fiscal 2030.