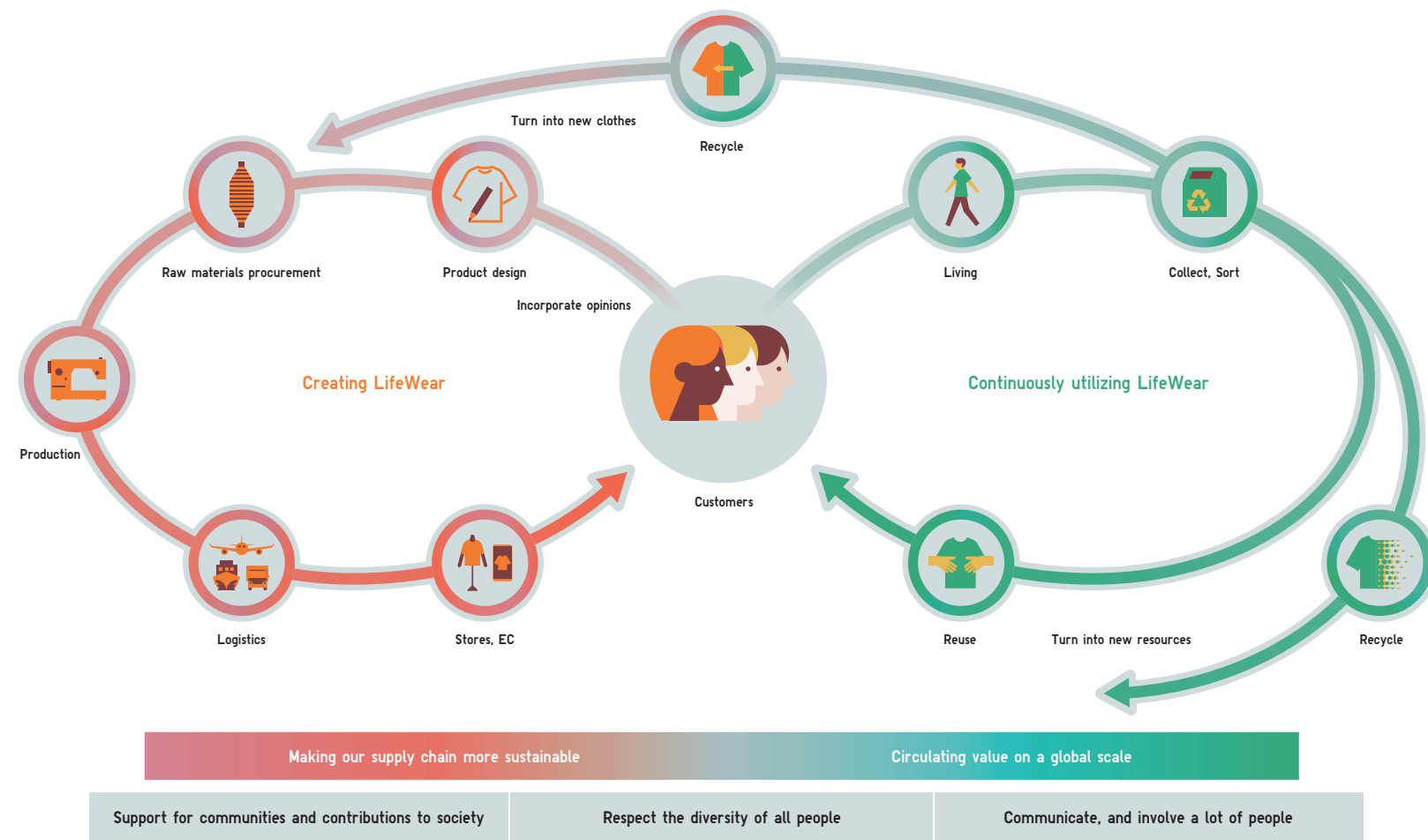




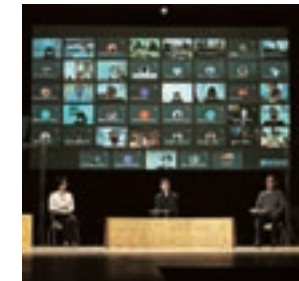
LifeWear: A New Industry

In December 2021, Fast Retailing reimagined its LifeWear concept, committing to a strong vision and action plan that will see LifeWear evolve into a new type of industry.



A model to achieve both sustainability and business growth

Fast Retailing's business is made possible by the foundations of a stable and healthy society. Accordingly, we aim to make the world a better place through every item of LifeWear we create. The diagram above helps to illustrate our approach to this goal. The circle on the left shows our commitment to the environment and to workers across our manufacturing, transportation and sales processes, so that our customers may shop with full confidence. Meanwhile, the right circle shows how customers can continue wearing our durable LifeWear apparel for a long time, while we take responsibility for the way our clothes are used even after sale.



The session allowed everyone to participate from the same perspective. Koji Yanai, Director of the Board and Group Senior Executive Officer, shares our vision of how LifeWear can bring in a new business revolution that contributes to establishing a sustainable society, as clothing takes an essential role in our life, along with food and shelter.

How we'll achieve our vision

Fast Retailing has established targets to reduce greenhouse gas emissions by FY 2030, in accordance with the goals of the Paris Agreement, to reduce environmental impact. These targets have been approved as science-based targets by the Science Based Targets initiative (SBTi). We also conduct human rights due diligence, not only in our own business, but also throughout our supply chain so that human rights risks can be identified and prevented. In terms of social contribution activities, Fast Retailing is committed to measuring and disclosing the impact of its community investments based on the Business for Societal Impact (B4SI) Framework.

The past, present and future of LifeWear

LifeWear is clothing designed to make everyone's life better. It is simple, high-quality, everyday clothing with a practical sense of beauty, ingenious in detail, thought through with life's needs in mind, and always evolving. "MADE FOR ALL" is the strong commitment we make to all our customers that LifeWear is for everybody. It is an expression arising through long and deep deliberation, and reminds us regularly that the clothing we make is ultimately for people who wear it in their lives each day.

In 2017, we commenced our Ariake Project—our inspiration to innovate and further increase the value of LifeWear for customers. Through the Ariake Project, we have acquired new insights for a new business model that incorporates workstyle and supply chain reforms to ensure we make, transport, and sell only the type and volume of products our customers truly want, exactly when they need them. Here, we introduce several initiatives that help us achieve this aim.

The Positive Power of LifeWear

Fast Retailing is committed to a business that produces, transports, and sells only what is necessary. Our whole global team is working to contribute to a more sustainable society while also maintaining business growth. Here, we introduce new initiatives toward supply chain reform and post-sales responsibility.

Making our supply chain more sustainable

90%↓ 20%↓



GHG reduction by FY 2030, carbon neutrality by 2050

Fast Retailing, by FY 2030, will reduce greenhouse gas emissions from its own operations by 90% over FY 2019 levels. In key stages of our manufacturing—raw materials, plus fabric and garment production—the supply chain of UNIQLO and GU products will target a 20% reduction of greenhouse gas emissions. All Fast Retailing stores and key offices globally will achieve 100% sourcing of renewable electricity. We have also formulated a reduction plan in cooperation with our supplier factories. In addition, we will increase the proportion of recycled materials used in our products to approximately 50%.

Respecting human rights in all production processes

Fast Retailing will continue to strengthen transparency and traceability to raw material level. By March 2022, we plan to publish a list of all garment factories we have ongoing dealings with. In addition to audits at garment factories and core fabric mills, we aim to establish traceability across the whole supply chain, from upstream spinning mills to raw material level. This will be achieved through Fast Retailing site visits, audits by third-party organizations, and third-party certifications. Meanwhile, we will continue to strengthen our human rights policies as one of our highest priorities, including our partnership with the Fair Labor Association (FLA) to pursue a living wage for workers in our supply chain.



Chips made from plastic bottles become yarn



Recycled polyester is partially used in fabrics



Circulating value on a global scale



RE.UNIQLO recycling box for collecting clothes



Second Life Studio for repairing clothes (Germany)

Promoting a society that does not dispose of clothes

Fast Retailing believes that we should also take responsibility for what happens to our clothes after they reach the hands of our customers. The LifeWear philosophy of “enriching the lives of all people” is the cornerstone of building a recycling-oriented society, where people wear their clothes for a long time without feeling uneasy or recycle them rather than throwing them away.

In 2020, UNIQLO renewed its “All-Product Recycling Initiative” which has been carried out since 2006, under the new name “RE.UNIQLO,” with the goal of reusing and recycling almost all our products. For this purpose, not only do we reuse clothes, we have started to recycle clothes into new ones.

As a first step, we are collecting old down products and progressing with recycled down products. In addition, we are also recycling our products into materials other than clothes, such as alternative fuel and soundproofing materials for cars. Moreover, we will continue to evaluate the clothing needs of refugees and people in crisis, building on our hard work of 15 years to find good uses for our used clothing.

We are currently collecting clothes at all UNIQLO and GU stores, and will consider adding more collection methods to make it easier for customers to participate in recycling.

Innovating to extend the clothing life cycle

We believe that in order for people to use our clothes for a long time, we need to create a better system that makes it easy for customers to repair, reuse or donate, while we continue to offer durable clothing. To this end, Fast Retailing has started collaborating with external partners.

In August 2021, we launched a “Second Life Studio” as a trial at one UNIQLO store in Germany, offering a clothing repair service in cooperation with an NGO. In the area of recycling clothes and developing new materials, we are planning to proceed with research and development with Toray Industries, Inc. Beyond the boundaries of industry, we will continue to search for partner companies that can work with us to develop future services and technologies related to clothing.

Sustainability Starts with Society

Fast Retailing's business is made possible by the foundations of a stable and healthy society. Accordingly, we believe it is essential to make meaningful social contributions, to respect diversity and to collaborate with a wide range of stakeholders, including our customers. In this way, we will continue working to help develop a stable and sustainable society.

Support for communities and contributions to society

10 billion yen



Fill the world with smiles through the Power of Clothing

Fast Retailing works to identify the needs of socially vulnerable people and provide support through our products, employees and stores. We invested a value of 3.2 billion yen via social contribution activities in the 2021 fiscal year alone, and provided support to approximately 7.5 million people.

For the past 10 years, we have been promoting our Power of Clothing project. Through this project, we raise awareness about refugees and other social issues and work to expand the circle of clothing support via initiatives we host with elementary, junior high and high school students throughout Japan.

Our Grameen UNIQLO social business aims to support employment in Bangladesh and has 16 stores, as of the end of August 2021. All processes, from product planning to production and sales, are carried out in Bangladesh, and all profits are reinvested into the business to create a new circular business model. In addition, we are making efforts in solving problems, such as providing career support for female employees who have difficulty becoming self-reliant and offering basic education opportunities for employees of our supplier's factories.

In the fiscal year of 2025, Fast Retailing, the Fast Retailing Foundation, the Yanai Tadashi Foundation, and Mr. Tadashi Yanai himself, will collaborate to implement social contribution activities worth 10 billion yen in a single fiscal year by expanding their activities, targeting a donation of 10 million items of clothing and will provide support to 10 million people.



The Power of Clothing project received the Good Design Award in 2021 and the Career Education Award of the METI Minister's Award (Japan)



Social business Grameen UNIQLO (Bangladesh)

The details of our social contribution activities



The details of our efforts to respect for diversity



Respect the diversity of all people



Clothing for everyone comes from diverse values

Clothing made for everyone is only possible by respecting diverse values. Fast Retailing promotes diversity and inclusion across its global business, addressing issues such as gender equality, opportunities for women at work, increased participation of people with disabilities, and an understanding of diverse sexual orientations and gender identities.

We strive to realize a workplace where diversity is recognized and valued. We host sessions where executive officers and employees of various backgrounds can meet and discuss with each other. In 2021, we joined the Valuable 500, an international initiative to promote the activities of people with disabilities. Currently, the employment rate in Japan of people with disabilities is 4.6%, and approximately 1,500 employees with disabilities are working in our business worldwide.



Implementing measures to value diversity across our entire business

Communicate, and involve a lot of people



Promote sustainability with ambassadors

We proactively communicate to raise public awareness and understanding of sustainability to create opportunities for action—by us and all people. We disclose corporate activities so customers have the transparency they need to purchase products with peace of mind. As part of these efforts, the popular character Doraemon became UNIQLO's global sustainability ambassador in March 2021. In *Doraemon Sustainability Mode*, Doraemon appears in green, rather than the traditional blue, to symbolize sustainability for the future of the earth. Doraemon is helping UNIQLO spread the message, in an easy-to-understand way, that we can all change the future through the power of clothing.



Doraemon Sustainability Mode and Ms. Haruka Ayase (actor) at the announcement ceremony ©Fujiko-Pro