

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 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, in 2020, we established the "Fast Retailing Group Policy on Responsible Paper Procurement" promoting reduced paper use, and the preservation of forest resources and biodiversity.

1. Basic Policy

When purchasing paper, Fast Retailing prioritizes paper products that meet the following requirements, assuming they are procured from appropriate sources (*)

- Recycled paper with high percentage of recycled material
- Certified paper, 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; and
- Paper made from FSC® Controlled Wood ^{*1}

*Appropriate source means meeting the following:

- Paper products using raw material from logging of timber where it was sourced legally
- Paper produced using timber harvested without the destruction of High Conservation Value (HCV) ^{*2} 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 sourced from companies not involved in serious environmental or social issues associated with the production of raw materials

*1 Wood that does not fall into one of the five categories below that FSC does not accept

1. illegally harvested wood
2. wood harvested in violation of traditional and human rights (for example forced or child labor)
3. wood harvested in forests in which high conservation values are threatened by management activities
4. wood harvested in forests being converted to plantations or non-forest us
5. wood from forests in which genetically modified trees are planted

*2 Biological, ecological, social and cultural values of outstanding significance

2. Action Plan and Progress

In April 2020, Fast Retailing and its brands established action plans to switch to materials used for shopping bags to be in line with the Basic Policy by the end of 2020, and that paper for other uses was reduced to the full extent possible by end of 2022.

As of the end of December 2023, paper products procured in Japan, such as shopping bags, have been switched to meet requirements described in the Basic Policy wherever possible. We are continuing our efforts in global markets, working to overcome specific local challenges where they exist, and implementing procurement of materials based on the Basic Policy. Furthermore, UNIQLO is actively going paperless by introducing electronic receipts.

In addition, since the use of disposable plastics is a significant issue for procurement of materials including paper products, we are currently working on the development of a procurement policy for materials including plastics.

3. Our Approach

- The content of this policy is to be reviewed periodically;
- To continuously 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;
- To ensure the procurement of paper complying with this policy, action plans will be established, and their progress will be made public; and
- If any of our suppliers are found to be violating this policy, we will work with them to change practices and/or re-evaluate our relationship with them.