

Respect Human Rights in Our Supply Chair

Respect the

Environment



Fast Retailing implements strict controls on water and air pollution, managing chemical use to minimize risk of harm to our customers, workers and the environment.

# **Policies for Chemical Management**

Chemicals play an important role in garment manufacturing processes, including dyeing, washing and finishing. In all our manufacturing processes, Fast Retailing strives to prevent and reduce water and air pollution and to minimize the risk of environmental harm through the careful management of chemical substances. Our goal is to eliminate emissions of hazardous chemicals in products and in production processes. With the cooperation of our business partners, we prioritize the safety of our customers and factory employees. We also partner with other organizations to solve industry-wide chemical management issues that are difficult to be addressed by a single company.

# Goals

Fast Retailing strives to eliminate discharges of hazardous chemical substances in its production processes. In our work to eliminate priority substances, we have removed Alkyl phenol ethoxylates (APEOs) and Perfluorinated compounds (PFCs) from our processes, conducted wastewater inspections at core fabric mills and garment factories, and disclosed the results. As of the end of 2021, the overall compliance rate at both core fabric mills garment factories towards zero wastewater pollution reached 99.9% (for details, please refer to the report on "Progress of the Initiatives to Eliminate the Release of Hazardous Chemicals" published as below). We aim to achieve zero wastewater pollution in our partner factories by the end of 2030. We continue efforts to achieve sustainable chemistry, promoting safer input chemicals with increased transparency of chemical use, best practices at our facilities, and safe product development.

# Initiatives

In 2013, Fast Retailing committed to eliminating discharges of hazardous chemical substances from our production processes. In line with the commitment, we publish our chemical management guideline for production partners and lists of restricted substances based on our commitment to eliminate emissions of hazardous chemicals. Our core fabric mills and garment factories conduct periodic wastewater studies and publish results. If a release of hazardous chemical substances is detected, Fast Retailing works with the factory to make improvements. Our production partners also work toward using alternatives to hazardous chemical substances and improving control over chemical management. In addition, Fast Retailing is a member of Zero Discharge of Hazardous Chemicals (ZDHC), a group which promotes the implementation of sustainable chemistry, driving innovation and best practice in the textile, apparel, leather and footwear industries to protect consumers, workers and the environment. ZDHC programs such as the ZDHC

Environmental Management	
Stakeholder Engagement	
Response to Clima Change	te
Improved Energy Efficiency	
Water Resource Management	
Improved Waste Management and Resource Efficienc	ies
Chemical Management	
Environmental Fur and Volunteer Activities	ıds
Strengthen Communities	
Support Employee Fulfillment	
Governance	
Sustainability Communications	
News & Updates	

Manufacturing Restricted Substances List (MRSL) and the ZDHC Gateway enable us to measure our performance according to an industry standard and make improvements efficiently.

**PDF** FAST RETAILING Greenpeace Detox Solution Commitment (202KB)

### Overall progress of initiatives

**PDF** Progress of the Initiatives to Eliminate the Release of Hazardous Chemicals (399KB)

#### Chemical Management Guideline

This guideline outlines the requirements and expectations from Fast Retailing to its production partners in order for us to move towards our zero hazardous chemicals discharge goal. The guideline requires our production partners to select proper chemical formulations and its safe use in the facility and use proper treatment of wastewater.

PDF Fast Retailing Chemical Management Guideline (422KB)

### Drafting and publishing lists of restricted substances

We update and circulate lists of restricted substances annually, asking production partners to comply with the lists. We update these lists in accordance to the prevention approach and precautionary principles. Substances to be added to the list are identified in consultation with external experts on legal and industry standards, taking into consideration data obtained from relevant authorities, NGOs and scientific reports.

For wastewater testing, we apply the wastewater guidelines developed by the ZDHC Group.

PDF Fast Retailing Manufacturing Restricted Substances List (MRSL) (719KB) PDF Fast Retailing Product Restricted Substances List (PRSL) (882KB)

# **Related Links**

**伊** ZDHC Wastewater Guidelines

### Wastewater testing and disclosure

Fast Retailing requires its core garment factories and fabric mills to conduct wastewater testing based on the ZDHC wastewater guidelines and to disclose results via the IPE (Institute of Public & Environmental Affairs) website, an environmental NGO in China. If hazardous chemicals are detected in wastewater, we investigate factories and chemical manufacturers, identifying root causes and implementing improvements. We aim to achieve zero wastewater pollution in our partner factories by the end of 2030.

# Assessment of business partner chemical substance controls

For our core fabric mills and garment factories, we use the Higg Facility Environmental Module (Higg FEM), an industry environmental impact assessment standard tool for factories, developed by the Sustainable Apparel Coalition (SAC). Chemical management performance is evaluated in the Higg FEM, and we are working with the factories to improve their chemical management methods.

# **Related Links**

# Adopting the Higg FEM at factories

# Initiatives toward the elimination of specified substances

#### **Alkyl phenol ethoxylates (APEOs)**

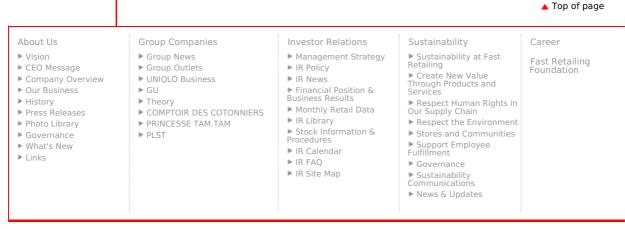
APEOs are a class of chemicals used as surfactants and are widely used as industrial detergents, but have been pointed out as endocrine disruptors. Fast Retailing has banned the use of formulations containing APEOs since 2012. In 2019, all target facilities achieved to meet the standard.

PDF Investigation results on alxylphenol ethoxylates (57KB)

#### **Perfluorinated compounds (PFCs)**

PFCs are durable water-repellent finishing agents used widely in the apparel and outdoor wear industry to protect clothes from rain and dirt. The international environmental NGO, Greenpeace, is concerned with lack of biodegradability of PFCs. Fast Retailing set a goal to eliminate PFCs use in our manufacturing processes. We worked with our business partners to develop alternatives to PFCs, and had eliminated PFC use by the fall/winter season of 2017.

PDF Case study of substitution (73KB)



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