

[HOME](#) > [Sustainability](#) > [Respect the Environment](#) > Response to Climate Change

Response to Climate Change

Last Updated: 2023.04.28

Honoring the goals set in the Paris Agreement on Climate Change for the reduction of greenhouse gases emissions by 2050, Fast Retailing is continuing efforts to reduce the release of greenhouse gases by our stores, throughout the supply chain, and in the use of our products.

Please visit [here](#) for our TCFD* report.

*Task Force on Climate-related Financial Information Disclosures

Policies Responding to Climate Change

To mitigate our impact on climate change and biodiversity, Fast Retailing identifies and reduces emissions of greenhouse gases (GHGs) across all business activities, from product manufacturing to product disposal. To further these initiatives, we acknowledge the GHG emission long-range targets set under the United Nations Framework Convention on Climate Change (the Paris Agreement) to reduce GHG emissions by 2050. Fast Retailing has set targets and engages in measures to achieve these goals.

Targets

■ Long-term goals

• Long-term targets for decarbonization

Fast Retailing commits to reducing absolute GHG emissions from its own operations such as stores and main offices by 90% by fiscal 2030 from a fiscal 2019 base year; and absolute GHG emissions from raw materials, fabric and garment production* by 20% over the same time frame. We also commit to achieving 100% sourcing of renewable electricity by fiscal 2030. These targets were approved by Science Based Targets initiative (SBTi) as science-based targets (SBTs), and are in line with the level of decarbonization required to achieve the Paris Agreement goals.

We will further extend our efforts to reach net zero emissions by 2050.

*UNIQLO and GU products

• Fashion Industry Charter for Climate Action

In January 2020, Fast Retailing signed the Fashion Industry Charter for Climate Action, sponsored by the United Nations Framework Convention on Climate Change (UNFCCC). This charter supports the goals of the Paris Agreement, and specifies measures for the entire fashion industry to contribute to the realization of the goals. Fast Retailing will further strengthen such measures as procurement of sustainable materials, reducing environmental impact in the manufacturing process, and promoting dialogue with consumers to raise awareness, as well as accelerating cooperation within the industry to reduce GHG emissions.

■ Customers

• Reducing GHGs through functional apparel

Fast Retailing considers the possibilities of reducing GHG emissions through apparel with functional characteristics. For example, HEATTECH functional innerwear is a high selling item by UNIQLO. We count on HEATTECH technology to provide greater warmth, thus potentially reducing the amount of energy needed for heating.

We also encourage reuse and recycling. For example, UNIQLO promotes the RE.UNIQLO initiative that collects UNIQLO clothing that is no longer needed by customers and gives them new life and new value, which contributes to the efficient use of resources through such reuse and recycling of our products.

Fast Retailing Initiatives

■ Stores and offices

•Initiatives to reduce GHG emissions through energy saving at stores

We strive to reduce GHG emissions by promoting energy savings and reducing electricity usage at stores. We began by installing LED lighting at UNIQLO stores throughout Japan, with a reduction target of 10% per unit of floor area by the end of fiscal 2020, as compared to fiscal 2013 emissions. As of the end of fiscal 2020, UNIQLO stores in Japan achieved a near 38.7% reduction of GHG emissions per unit of floor area compared to fiscal 2013 levels. As of the end of August 2021, 782 of the 810 UNIQLO stores (96.5 percent) and 397 stores of the 408 GU stores (97.3%) in Japan have LED lighting installed. We are also moving to install LED lighting systems at UNIQLO stores globally.

Currently, we are striving to achieve our emissions reduction target by fiscal 2030 and further promoting energy efficiency by installing an air conditioning operation control system that controls overtime use and automatically adjusts to a preset temperature. As of the end of fiscal 2021, UNIQLO has acquired Gold Level LEED® (Leadership in Energy and Environmental Design) certification in the Building Operations & Maintenance (O+M) category at eight main roadside stores in Japan. In addition to implementing measures such as adjusting lighting and air conditioning, we are developing new, highly energy-efficient roadside store format, starting from store-design stage. In April 2023, UNIQLO opened the UNIQLO Maebashi Minami IC Store with energy-saving features. Through the integration of various types of energy-saving lighting fixtures and other technologies, the UNIQLO Maebashi store is expected to use around 40% less electricity compared to conventional UNIQLO roadside stores*1. Energy generated from solar panels is also estimated to offset around 15% of the total power consumption (based on a calculation by UNIQLO). Together, these elements have earned the building accreditation including:



UNIQLO Maebashi Minami IC Store

- a) BELS*2 top five-star rating.*3
- b) Building Energy Index (BEI) value*3 of 0.33.
(under the BELS evaluation index, this means that the store design has the potential for a 67% reduction in primary energy consumption)
- c) ZEB Ready*4 certification (building conforms to primary energy consumption reduction of 50% or higher from standard primary energy consumption, excluding renewable energy)

Notes

- *1 Comparison assuming the same area for the UNIQLO Tomioka Store (opened in October 2018) in the same prefecture.
- *2 The Building-Housing Energy-efficiency Labeling System (BELS) is a third-party certification based on guidelines from Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT).
- *3 The BEI value (primary energy consumption standard) is calculated from primary energy consumption based on building energy consumption performance standards prescribed by the Japanese government. The BELS evaluation is the basis for ZEB (Net Zero Energy Building), and determines the ZEB certification level.
- *4 ZEB Ready certification was received on March 17, 2023, based on guidelines from Japan's Agency for Natural Resources and Energy in the Ministry of Economy, Trade and Industry (METI), as a "Building that aims to achieve net zero primary energy consumption throughout the year by limiting the energy load through advanced architectural design, proactive utilization of natural energy through the adoption of passive technologies (construction techniques that use natural energy to the greatest extent possible), and the introduction of high-efficiency equipment systems, to achieve significant energy savings while maintaining the quality of the indoor environment, while also enhancing energy independence as much as possible through the use of renewable energy."


•Introducing renewable energy


Aiming at 100% sourcing of renewable electricity by fiscal 2030, we have introduced renewable energy at stores and offices through initiatives such as an on-site installation* of solar power generation equipment, purchasing green electricity products provided by energy suppliers and renewable energy certificates. We have achieved

42.4% sourcing of renewable electricity as of the end of fiscal 2022.

*Sourcing through PPA (Power Purchase Agreement)

Related Links

 [UNIQLO Addressing Climate Change](#)

 [Data Publication under the Tokyo Carbon](#)

[Reduction Reporting Program \(Japanese only\) \(112KB\)](#)

Supply Chain Initiatives

■ Logistics

• Initiatives to reduce GHG emissions through greater transportation efficiency

Fast Retailing pursues a number of initiatives designed to reduce GHG emissions through more efficient logistics.

Initiatives	Area	Description
Buyer Consolidation	Global	<ul style="list-style-type: none"> By consolidating goods shipped from UNIQLO and GU factories having similar delivery dates, we reduce our global shipping volume by nearly 10,000 containers annually.
Improving Truck Shipping Efficiency	UNIQLO and GU in Japan	<ul style="list-style-type: none"> In March 2016, we began improving truck shipping efficiency by expanding the hours when goods can be delivered to stores and by using the same truck to deliver goods to UNIQLO and GU stores located in close proximity.
Initiatives to Improve Loading Efficiency	UNIQLO and GU in Japan	<ul style="list-style-type: none"> For UNIQLO and GU, we set minimum orders per item for each store to prevent inefficient small shipments from warehouses to stores. In September 2017, we reduced the number of cardboard box sizes used at UNIQLO to improve loading efficiency. This overcame the inefficiencies of shipping boxes in a wide range of sizes. During slower periods, we improve loading efficiency by further consolidating deliveries.
Initiatives to Improve E-Commerce Shipping Efficiency	UNIQLO in Japan	<ul style="list-style-type: none"> We improve shipping efficiency at the Ariake warehouse (e-commerce sales) using systems that adjust the height of the carton automatically according to the quantity of products the carton contains to minimize the carton size.

■ Production Partners

• Reducing Environmental Impacts

To reduce environmental impact throughout the supply chain, Fast Retailing uses the Higg Index and other apparel industry indices at our core garment factories and fabric mills to measure and reduce their environmental impact. For example, in the UNIQLO Responsible Mill Program, which we conducted between 2016 and 2020, we aimed for a reduction in energy usage by 10% of the 2016 levels by the end of 2020 and achieved this goal. Based on strong relationships with production partners, we are working to achieve our GHG emissions reduction target by fiscal 2030 in our supply chain. By November 2021, we defined conditions and issues at each of the core partner factories jointly accounting for 90% of UNIQLO and GU manufacturing, and formulated plans to reduce greenhouse gas emissions and to implement energy efficiency, decarbonization, and renewable energy initiatives. Also, we have established solid processes and structure in our manufacturing and sustainability departments to monitor and manage greenhouse gas reduction efforts.

Related Links

▶ [Initiatives for the reduction of environmental impacts at fabric mills](#)

■ Promoting GHG emission reductions in the sourcing of raw materials

To achieve our GHG emissions reduction target by fiscal 2030, we are encouraging the use of raw materials produced with lower levels of GHG emissions from the product planning stage. We aim to increase the proportion of recycled materials to approximately 50% by fiscal 2030 and are starting to switch to use raw materials with lower levels of GHG emissions. For example, we have introduced DRY-EX and Fluffy Fleece items of clothing that incorporate recycled polyester fibers, and waist bags using recycled nylon. We are expanding the introduction of materials that place a lower burden on the environment, starting with synthetic fibers such as rayon and nylon.

GHG Emissions

Fast Retailing calculates its GHG emissions according to the GHG Protocol, the standard guidelines used worldwide.

■ Fast Retailing (stores and offices)

Units: t-CO₂e; Scope: Fast Retailing

Scope	Items		FY2019 (September 2018 to August 2019)	FY2020 (September 2019 to August 2020)	FY2021 (September 2020 to August 2021)	FY2022 (September 2021 to August 2022)
Scope 1 (Fast Retailing Direct Emissions)	Gas		12,295	13,026	10,029	9,738
Scope 2 (Fast Retailing Indirect Emissions)	Electricity	Location Based*1	308,691	298,205	291,190	286,113
		Market Based*2	298,566	279,281	275,419	159,047
Compared to 2019 baseline (reduction rate of Scope 1 and market-based Scope 2 emissions)			–	–6.0%	–8.2%	–45.7%

*1 Location Based: A method of calculation using the average GHG emission coefficient of the region's electricity grid, regardless of the source of power purchased from the electric company. This calculation method estimates the amount of GHGs emitted according to the amount of electricity used.

*2 Market Based: A method of calculation using the GHG emission coefficient for each electric company to calculate the quantity of GHG emissions taking into account the power sources purchased by Fast Retailing. In case that no information on the power supplier can be obtained from the building owner company, the emission intensity of the retail electricity supplier in that region is applied. The figures here include location-based emissions for some part of operations.

■ Supply chain and others

Units: t-CO₂e; Scope: Fast Retailing

Scope 3 Categories	FY2019 (September 2018 to August 2019)	FY2020 (September 2019 to August 2020)	FY2021 (September 2020 to August 2021)	FY2022 (September 2021 to August 2022)
1. Purchased goods and services	4,694,117	4,373,497	4,161,926	4,243,676
Raw materials, fabric and garment production for UNIQLO and GU products (fiscal 2030 target boundary)	4,165,738	3,944,349	3,883,960	3,906,500
Compared to FY2019	–	–5.3%	–6.8%	–6.2%
2. Capital goods (not relevant)	–	–	–	–
3. Fuel and energy related activities	43,836	41,613	42,546	24,815
4. Upstream transportation and distribution	355,654	379,042	378,114	552,711
5. Waste generated in operations	120,006	109,636	107,578	83,335*
6. Business travel	6,655	7,139	7,060	14,822*
7. Employee commuting	61,120	65,314	56,402	54,554

8. Upstream leased assets (included in Scope 1 and 2)	–	–	–	–
9. Downstream transportation and distribution	–	–	–	–
10. Processing of sold products (not relevant)	–	–	–	–
11. Use of sold products (not relevant)	–	–	–	–
12. End-of-life treatment of sold products	438,926	463,751	429,219	764,228*
13. Downstream leased assets (not relevant)	–	–	–	–
14. Franchises	10,086	5,655	3,405	2,731
15. Investments (not relevant)	–	–	–	–

* Changed emission factors used or boundaries of activity data

■ Third-party verification of GHG emissions

The data on GHG emissions has been verified by SGS Japan Co., Ltd. The verification scope covers Scope 1 and Scope 2 in the GHG Protocol, which is the emissions derived from energy use in our company's direct operations*¹, and Scope 3*², which is the indirect emissions from the value chain.

*1 The verification scope up to fiscal 2020 is for main offices and UNIQLO and GU stores in Japan. From fiscal 2021, the scope covers global operations of Fast Retailing.

*2 The verification scope up to fiscal 2021 is for Category 1 purchased goods and services: raw material production, fabric production and sewing for UNIQLO and GU products. From fiscal 2022, the scope covers all categories of Scope 3 emissions of Fast Retailing.

▶ [Verification Report](#)