Improved Energy Efficiency

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Fast Retailing promotes greater efficiency in the use of energy in our stores and throughout the supply chain. We also promote the development and production of functional apparel that reduces energy used when worn by our customers.

Policies for Greater Energy Efficiency

Fast Retailing uses a variety of energy sources for store lighting and climate control, product manufacturing and transport, and other purposes. We work with our partners to encourage energy savings and increase efficiency in our business activities, while respecting the energy reduction targets in every region and country where we conduct business. Fast Retailing also plans and develops functional apparel designed to possibly support the reduction of the amount of energy customers consume, simply by wearing our clothing.

Targets

Fast Retailing

We promote energy saving in our stores and offices in every country and region where we conduct business. By changing the way we operate our stores, Fast Retailing introduces energy saving measures in lighting, heating, and temperature control. We have adopted new technologies, including LED lighting and automatic temperature control systems. We are also changing the way we design our stores to make effective use of natural light. We began installing LED lighting in UNIQLO stores in Japan in 2014 with the goal to have LED lighting in 100 percent of UNIQLO stores in Japan by 2020. As a result, we reduced electricity usage per unit of floor area by about 30% compared to fiscal 2013. As of the end of August 2021, LED lighting has been installed in 782 of the 810 UNIQLO stores in Japan (96.5%). As of the end of August 2021, LED lighting has also been installed in 397 of the 408 stores in GU stores in Japan (97.3%). While continuing this effort, we are also moving forward with outfitting LED lighting in UNIQLO stores globally.

We also save energy in our Yamaguchi office through LED lighting and improving air-conditioning efficiency and in Ariake and Roppongi offices through systems that shut down lighting and temperature control systems automatically at the end of the normal workday. At our Ariake Office, we save energy through the use of natural light.

Supply Chain

We evaluate every business associated with the Fast Retailing Group to improve energy efficiency throughout our supply chain. These evaluations include our production partners and logistics partners. We collaborate with our partners to improve productivity and promote the installation of energy-saving equipment.

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. Based on strong relationships with partner factories, we are working to achieve our GHG emissions reduction target by fiscal 2030 in our supply chain through reducing energy usage and improving energy efficiency. Our aim is to reduce energy usage with logistics partners by consolidating shipments and improving loading efficiency.

Customers

We continue to plan and develop functional apparel, contributing to the creation of a society in which our customers make more efficient use of energy in their daily lives. For instance, HEATTECH functional innerwear,

a UNIQLO product sold worldwide, is very popular with customers. By wearing HEATTECH products, consumers can potentially reduce the amount of energy they use for heating.

Fast Retailing Initiatives

Stores and offices

・Reductions in energy consumption through energy saving at stores

We strive to reduce GHG emissions by promoting energy savings and reducing electricity usage at stores. We began installing LED lighting in our stores in 2014, reducing the amount of energy we use and the volume of greenhouse gas emissions with the goal to have LED lighting in 100 percent of UNIQLO stores in Japan by 2020. As a result, we reduced electricity usage per unit of floor area by about 30% compared to fiscal 2013. As of August 2021, LED lighting is installed in 782of the 810 UNIQLO stores in Japan (96.5%). As of the end of August 2021, LED lighting is also installed in 397 of the 408 GU stores in Japan (97.3%). While continuing this effort, we are also moving forward with a phased introduction of LED lighting in our UNIQLO stores globally.

UNIQLO Maebashi Minami IC Store

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 formats at the stage of designing stores. 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:

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)

・Respecting the environment by acquiring LEED certification

UNIQLO has been working towards reducing its environmental burden through its store designs and operations. UNIQLO has standardized the specifications for roadside stores, utilizing high-quality materials, heat insulation, LED lighting and simple store designs to create durable, energy-efficient retail spaces. The Gold Level LEED® (Leadership in Energy and Environmental Design) certification in the Building Operations & Maintenance (O+M) category was awarded in recognition of this store design and its operating procedures. By the end of fiscal 2021, UNIQLO has acquired LEED O+M Gold certification at eight main roadside stores in Japan including the Kawagoe store. We continue to apply the knowledge gained through these efforts to further lower the environmental impact of its stores.

Related Links

UNIQLO Addressing Climate Change
Respecting the environment by acquiring LEED certification

Supply Chain Initiatives

Logistics

・Reducing energy usage

We are taking steps to reduce energy consumption and environmental impacts related to logistics through improved transportation efficiencies.

Initiatives	Areas	Description
Buyer Consolidation	Global	• 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.
Container Round Use	UNIQLO in Japan	• Container Round Use (CRU) consists of unloading a container used for import and loading it with items for export, instead of returning the container to the port empty. By reducing the number of empty containers in transit, it becomes possible to reduce greenhouse gas emissions and alleviate congestion at ports. UNIQLO is promoting CRU initiatives, such as using the same container to import products and export store materials.
Improving Shipping Efficiency Per Truck	UNIQLO and GU in Japan	• 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 Increase Loading Efficiency	UNIQLO and GU in Japan	• At UNIQLO and GU, we set minimum orders per item for each store in order to prevent inefficient small shipments from warehouses to stores. • In response to the problem of inefficient loading when cardboard boxes of various sizes are used, starting in September 2017 we reduced the number of shipping cartons used by UNIQLO to improving loading efficiency.

		• In slower periods, we improve loading efficiency by further consolidating the deliveries.
Initiatives to Improve E-commerce Shipping Efficiencies	UNIQLO in Japan	• We are improving shipping efficiency at the Ariake warehouse (e-commerce sales) with systems that automatically adjust the height of the carton 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 partner factories, 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

Energy Usage

Third-party verification of energy usage data

The data on energy usage has been verified by SGS Japan Co., Ltd.*

* 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.

- Verification Report

Fast Retailing

Items		Units	FY2019 (September 2018 to August 2019)	FY2020 (September 2019 to August 2020)	FY2021 (September 2020 to August 2021)	FY2022 (September 2021 to August 2022)
Energy usage	Gas	m^3	7,669,159	3,142,323	1,923,305	2,072,231
	Electricity	kWh	561,629,357	560,308,048	524,276,267	565,145,093
Renewable energy sourced		kWh	–	–	13,391,707	239,842,665
Proportion of electricity sourced for own operations from renewable energy		%	–	–	2.6	42.4
Scope			Fast Retailing	Fast Retailing	Fast Retailing	Fast Retailing