Sustainability, from Procurement to Consumption

Target





Management of the entire supply chain

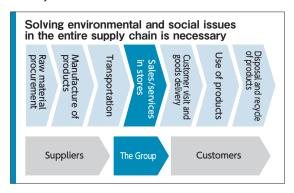
By fulfilling social responsibilities and promoting environment-friendly initiatives throughout the entire supply chain, we will eliminate risk in the entire supply chain. Also, by providing products that customers can enjoy without concern for social and environmental issues, we will enhance the corporate values of both the Group and its suppliers.

Target to be achieved by 2030

- Awareness of supply chain policy (Principles of Action for Suppliers) Target: 100%
- Scope 3 CO₂ emissions reduction target Aiming for 40% reduction

Supply chain of the Group

In the retail business, the core business of the Group, we sell goods and offer services in a supply chain that extends from procurement of raw materials to production/sale/consumption. Thus, initiatives to solve environmental and social issues in the entire supply chain, including our suppliers, are essential, not just in the areas where we are directly involved.



Formulation of "JFR Principles of Action" and "Principles of Action for Suppliers"

We have formulated "JFR Principles of Action" and "Principles of Action for Suppliers" to eliminate environmental and social risks in the entire supply chain.

These Principles define basic actions to be understood and followed so both the Group and our suppliers can fulfill social responsibilities. "JFR Principles of Action" are composed of "JFR conduct policy" and four policies common with "Principles of Action for Suppliers": "Procurement policy," "Human rights policy," "Anti-corruption policy," "Occupational health and safety policy." "JFR Principles of Action for Suppliers" are composed of "Guidelines for action for suppliers" and the four common policies mentioned above. By complying with these Principles, we will fulfill social responsibilities together with our suppliers and strive to enhance corporate value of both parties.

Future initiatives related to "Principles of **Action for Suppliers**"

Starting in the summer of 2019, we will hold explanatory sessions, etc., of the "Principles of Action for Suppliers" in order to obtain the understanding and support of suppliers and request them to follow the Principles in their operations. In addition, we will carry out a survey to confirm compliance with the Principles and gradually develop a system to assess compliance. We will find new suppliers who will commit to fulfilling social responsibilities and business focusing on products and services with less environmental burden.

Initiatives to realize a recycling society in the entire supply chain

The Group aims to propose a shopping style with customer-participation through eco-friendly recycling and reuse activities, as well as develop a new business model regarding a sharing economy.

Daimaru Matsuzakaya Department Stores have been carrying out the "Ecoff" recycling campaign since fiscal year 2016. Starting August 2019, 16 stores will use shopping bags made of environment friendly FSC® certified paper. The stores are gradually switching plastic bags for food items to 30% plantbased packaging material. Through these initiatives, we are working on realizing a recycling society.

