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Reduction of Scope 3 GHG Emissions in Collaboration with Suppliers

The Group's Scope 3 GHG emissions account for approximately 96% of the emissions from the entire supply chain. In light of this situation, the Group considers the reduction of Scope 3 GHG emissions as well as the reduction of Scope 1 and 2 GHG emissions as its important task and thinks it needs to work on that in collaboration with suppliers.

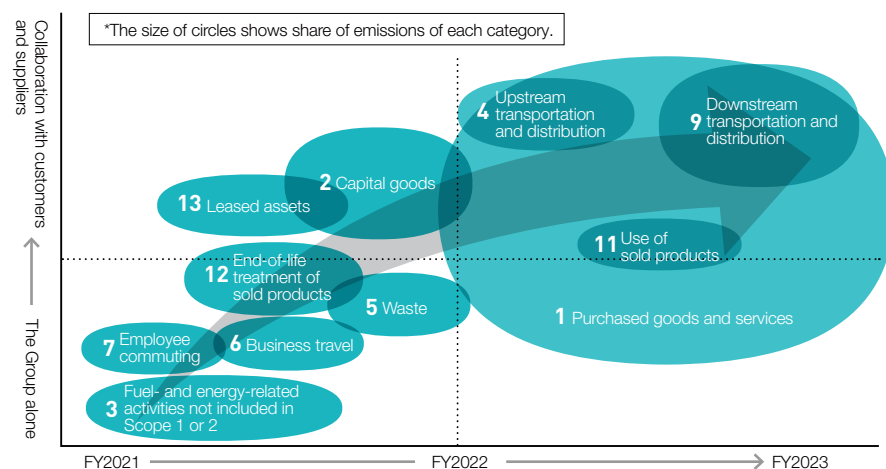
Start to Approach Suppliers

As the Group is a corporate group with retail at its core, approximately 90% of its total Scope 3 GHG emissions are constituted by emissions from the production of goods and services purchased from suppliers (Category 1) and emissions from transportation and distribution (Category 4 and 9).

In light of this situation, the Group thinks that it is important to reduce Scope 3 GHG emissions not by the Group alone but in collaboration with suppliers.

Daimaru Matsuzakaya Department Stores whose Scope 3 GHG emissions account for approximately 80% of the Group's total emissions will start to approach suppliers in fiscal year 2021 to share its GHG emission reduction targets and reduction measures with them.

Direction of the Group's Scope 3 GHG emission reduction



FY2020 Scope 3 GHG emission results

In fiscal year 2020, Scope 3 GHG emissions were 2,922,739 t-CO₂, down 22.7% compared to fiscal year 2019. Compared to fiscal year 2017, which is its SBT base year, they decreased by 5.0%.

The Group's Scope 3 GHG emissions received third-party assurance from Lloyd's Register Quality Assurance Limited.

FY2020 the Group Scope 3 GHG emission results

Category	Emissions (t-CO ₂)	Share (%)
1 Purchased goods and services	2,191,604	74.98
2 Capital goods	84,908	2.91
3 Fuel- and energy-related activities not included in Scope 1 or 2	29,252	1.00
4 Upstream transportation and distribution	28,949	0.99
5 Waste generated in operations	1,090	0.04
6 Business travel	1,132	0.04
7 Employee commuting	1,909	0.07
8 Upstream leased assets*1	—	—
9 Downstream transportation and distribution	463,510	15.86
10 Processing of sold products*2	—	—
11 Use of sold products	154	0.01
12 End-of-life treatment of sold products	37,370	1.28
13 Downstream leased assets	82,860	2.84
14 Franchises*2	—	—
15 Investments*2	—	—
Total Scope 3 GHG emissions*3	2,922,739	100.00

*1 Excluded from Scope 3 calculation because it is calculated in Scope 1 and 2 GHG emissions

*2 Excluded from Scope 3 calculation because they are not included in the business process of the Group

*3 Received third-party assurance from Lloyd's Register Quality Assurance Limited

Scope 1 and 2
GHG emissions