

# LR Independent Assurance Statement

## Relating to J. Front Retailing Co., Ltd.'s Environmental Data within its Integrated Report 2021 for the Fiscal Year 2020

This Assurance Statement has been prepared for J. Front Retailing Co., Ltd. in accordance with our contract but is intended for the readers of this report.

### Terms of engagement

Lloyd's Register Quality Assurance Limited (LR) was commissioned by J. Front Retailing Co., Ltd. ("the Company") to provide independent assurance on its environmental data within its Integrated Report 2021 ("the report") for the fiscal year 2020 (from 1 March 2020 to 28 February 2021), against the assurance criteria below to a limited level of assurance and the materiality of the professional judgement of the verifier using ISAE 3000 and ISO 14064-3:2006 for GHG emissions.

Our assurance engagement covered the Company and its consolidated subsidiaries' operations and activities in Japan and overseas and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies
- Evaluating the accuracy and reliability of data for the selected indicators listed below:

#### Environmental indicator:<sup>1 2</sup>

- Scope 1 GHG emissions (tonnes CO<sub>2</sub>e)
- Scope 2 GHG emissions (Market-based) (tonnes CO<sub>2</sub>e)
- Scope 3 GHG emissions (tonnes CO<sub>2</sub>e)
- Amount of water use (m<sup>3</sup>) and amount of waste water (m<sup>3</sup>)
- Amount of waste generation (tonnes), amount of recycled waste (tonnes) and amount of disposed waste (tonnes)

Our assurance engagement excluded the data and information of the Company's suppliers, contractors and any third-parties mentioned in the report.

LR's responsibility is only to the Company. LR disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

### LR's Opinion

Based on LR's approach nothing has come to our attention that would cause us to believe the Company has not, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable environmental data

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

**Note:** The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

<sup>1</sup> GHG quantification is subject to inherent uncertainty.

<sup>2</sup> LR also reviewed the Company's GHG emissions for the fiscal year 2020 against its 2019 to confirm the year-on-year change in Scope 1 and 2 GHG emissions.

### LR's approach

LR's assurance engagements are carried out in accordance with ISAE 3000 and ISO14064-3 for GHG emissions. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
- Sampling datasets and tracing activity data back to aggregated levels;
- Regarding GINZA SIX, confirming that the equity share of each environmental data is appropriately accounted in accordance with the principle of joint operation project which multiple partners have joint financial control.
- Visiting the headquarters of J. Front Retailing Co., Ltd., Tsudanuma PARCO of PARCO Co., Ltd., and Daimaru Kyoto of Daimaru Matsuzakaya Department Stores Co., Ltd., in Japan to confirm the data collection processes and record management practices.

### Observations

The Company should further demonstrate the completeness, accuracy, and relevance in its reporting environmental data by establishing a robust internal data management system in the subsidiaries as well as in the headquarters.

### LR's standards, competence and independence

LR implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021-1 *Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part 1: Requirements* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This is the only work undertaken by LR for the Company and as such does not compromise our independence or impartiality.

Signed



Yoshinori Shibata

LR Lead Verifier

On behalf of Lloyd's Register Quality Assurance Limited

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LR reference: YKA00000726

Dated: 30 June 2021

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