

【Overview of assessment in FY2021】

1. Companies that conducted the assessment

•9 companies including J. Front Retailing, Daimaru Matsuzakaya Department Stores, JFR Card, J. Front Design & Construction, Daimaru Kogyo, Consumer Product End-Use Research Institute, Angel Park, JFR Service, and JFR Information Center

*Their revenue share is approximately 74%.

2. Scope

•7,415 primary suppliers with whom the Principles of Action are shared

(Suppliers with whom the companies have continuous long-term business relationships)

3. Period of assessment

•October 1 – December 31, 2021

4. Questions

•About “compliance with the policy” and “internal dissemination” in accordance with 6 items of the guidelines for action for suppliers (12 questions)

•Concerning human rights, the number of questions was increased in accordance with the Human Rights Policy. (5 questions)

•Concerning the environment, the “clarification of responsibility system” and the “presence of medium- to long-term goals” were added. (2 questions)

•19 questions in total

5. Assessment criteria

•Suppliers who answered “yes” to 80% or more of total questions (16 or more out of 19 questions) are deemed to comply with the Principles of Action for Suppliers (including human rights efforts).

•A criterion for selecting supplier candidates for dialogue, which is the next process, is answering “yes” to less than 30% of total questions (5 questions or less).

*Answering “yes”: A 80% or more B 50% - less than 80% C 30% - less than 50% D Less than 30%

【Assessment results】

Questionnaires were sent to 7,415 primary suppliers of the Group, of which 3,012 companies responded.

Approximately 60% of the suppliers answered "yes" to 80% or more of total questions, which is a measure of the degree to which the Principles of Action have permeated, and we deem that the Principles of Action are being disseminated. And the percentage of the suppliers with whom we will engage in dialogue is only 1.5%.

Assessment implementation status

Subject	No. of suppliers to whom questionnaires were sent	No. of suppliers who responded	Response rate in 2021
The Group's primary suppliers	7,415	3,012	40.6%

*KPI: Response rate of 80% in 2023

Dissemination ratio of Principles of Action for Suppliers

Item of Principles of Action	A	B	C	D
Fair business activities	95.0%	3.7%	0%	1.4%
Consideration for human rights and the work environment	58.3%	29.1%	6.9%	5.6%
Consideration for the environment	48.4%	41.0%	0%	10.6%
Consideration for the safety and security of products and services	96.0%	2.3%	0%	1.7%
Responsible marketing	94.5%	2.5%	0%	3.1%
Contribution to local communities	69.2%	6.1%	0%	24.7%
Dissemination ratio of Principles of Action in 2021	60.9%	33.5%	4.2%	1.5%

*KPI: Dissemination ratio of 25% in 2023

【Future efforts】

When some problems are found, we will share again the importance of following the Principles of Action. Based on the results of the assessment, we will engage in dialogue with the suppliers that we believe need improvement to ensure that they understand and endorse the importance of following the Principles of Action and respecting human rights.

And we will strive to further disseminate the JFR Principles of Action for Suppliers, for example by holding briefings for suppliers.

In addition, we will strive to improve the response rate in preparation for the next assessment.