Sustainability ➢ Contribution to a Low-carbon Society

Achieving Zero CO₂ Emissions

Contribution to a low-carbon society

As global awareness for climate change increases, our long-term vision for the environment “Eco Vision” was formulated. We will work on reducing energy consumption, increasing energy use efficiency, enhancing renewable energy usage and cooperating with customers and suppliers to reduce CO₂ emissions. Through these activities, we aim to contribute to preventing global warming and air pollution and make the global environment sustainable.

Eco Vision

Approach

Increasing global warming and extreme weather events are examples of how environmental risks can affect our lives. We, as a member of society, believe it is our important mission to consider environmental issues as top priority and implement companywide efforts to maintain the global environment which is irreplaceable and precious. To achieve this mission, we will take action to resolve environmental issues through our business activities. In turn, these efforts will ensure that the various stakeholder contact points stated in our Sustainable Policy continue to thrive.

Each of us will deepen our knowledge and awareness of environmental issues, comply with legal requirements and internal standards, and take responsibility for addressing these issues.

Guidelines for action

1. Efforts to reduce energy consumption and emissions
   We will strive to continuously reduce energy consumption and emissions through business activities in our stores and offices as well as the entire supply chain.

2. Response to a recycling society
   We will work with customers and suppliers to recycle waste from homes and our stores and offices and strive to improve the resource efficiency of business activities by recycling resources and using recycled resources.

3. Provision of products and services that contribute to a low-carbon society
   We will develop and provide environment-friendly and high-value-added products and services that contribute to a low-carbon society through our stores and offices.

4. Development of promotion system
   We will develop J. Front Retailing Group’s environmental plan at the “Sustainability Committee.” Each company in the Group will set medium- to long-term targets based on the environmental plan, develop and promote a specific action plan, and review them on a regular basis for continuous improvement.

5. Environmental education and communication with stakeholders
   We will actively promote environmental awareness raising activities to increase environmental awareness of individual employees. We will also strive to mutually raise environmental awareness through active dialogue with stakeholders.

Participating in environmental initiatives

The Group has announced its participation in various initiatives to make its policy and activities on climate change visible to the public.

- Application for Science Based Targets Initiative (SBT) certification
  We will apply for SBT certification, an global initiative, with the aim to acquire certification in fiscal year 2019.

- Support for the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
  We support the final report of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB), and joined the TCFD Consortium of Japan which launched on May 27, 2019.

- Participation in Japan Climate Initiative (JCI)
  We participate in the Japan Climate Initiative (JCI) which is a network of companies, local governments and NGOs that are actively implementing climate actions and agree to aim for decarbonization.
CO₂ emissions reduction: progress and management

Independent, third-party verification on CO₂ emissions

To achieve our long-term goal for CO₂ emissions reduction, we established the JFR Group annual emission target to monitor progress. In order to ensure objectivity and reliability of environmental data in our disclosure, we obtained an independent, third-party verification of CO₂ emissions and energy consumption for fiscal year 2017 (the base year for CO₂ emissions reduction) and fiscal year 2018.

JFR Group Environmental Data

<table>
<thead>
<tr>
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<th>FY 2017 (Base year)</th>
<th>FY 2018</th>
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<tbody>
<tr>
<td>CO₂ emissions (t- CO₂)</td>
<td>194,154</td>
<td>182,566</td>
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<tr>
<td>Energy consumption (k ℓ )</td>
<td>101,143</td>
<td>99,761</td>
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Flagship store for promoting ESG initiatives: New main building, Daimaru Shinsaibashi store

The new main building of the Daimaru Shinsaibashi store which is scheduled to open on September 20, 2019, is designated as the flagship store to promote ESG initiatives. It will engage in various activities to “contribute to a low-carbon society”.

The CO₂ emissions from the new main building of the Daimaru Shinsaibashi store in fiscal year 2020 will be approximately 7,000 t-CO₂ less compared* to the former main building (in fiscal year 2015). It will use 100% renewable energy for all power needs, and LED units will be deployed in all lighting fixtures.

The new rooftop area and 7th floor terrace will be utilized for active greenification initiatives. The rooftop will be used for keeping honeybees in a green area. 70 cars and vans owned as company fleet will be gradually replaced by electric vehicles.

*The building structure is different because it was rebuilt.

New Shibuya Parco—environmentally friendly next generation building

The Ministry of Land, Infrastructure, Transport and Tourism chose Shibuya Parco, scheduled to open in late November 2019, as a “Leading project for sustainable building initiative (CO₂ reduction initiative)” for the following features: (1) Attractive outdoor space including roof top square and multi-level pathways; (2) Proactive installation of high-efficiency energy system including a cogeneration system (CGS) (*1); and (3) Use of digital communication technology to promote efficient energy use. In addition to installing the latest equipment and fixtures, we will also “visualize” energy efficiency for energy management systems so as to make it a multi-purpose commercial space showcasing efficient energy use with lower CO₂ emissions.

*1 Cogeneration system (CGS): System that simultaneously produces and supplies electricity and heat from a single energy source.

Actions to realize a recycling society in partnership with our customers

Daimaru Matsuzakaya Department Stores conducts the “Ecoff recycling campaign” on a regular basis. Customers bring disused clothing, shoes and bags to the stores for reuse and recycling and receive shopping support tickets in exchange that allow them to buy new items. Cumulatively, more than 1.92 million articles have been collected from August 2016 to April 2019. This campaign is successfully expanding.