Scope 3 GHG Emission Reduction Undertaken with Business Partners

Background

Toward realizing a decarbonized society, companies are required to identify and manage the amount of GHG emissions associated with not only their own business activities but also supply chain activities. Emission reductions are being given priority from the perspective of corporate risk management as well as environmental aspects.

Goals (commitments)

We will strive to procure and sell eco-friendly products and services together with suppliers and, at the same time, replace electric power with renewable energy and pursue greater energy conservation, thus contributing to the realization of a decarbonized society.

Efforts for Scope 3 GHG emission reduction in collaboration with suppliers

As the Group is a corporate group with retail at its core, about 90% of its total GHG emissions are constituted by emissions stemming from the production of goods and services purchased from suppliers (Scope 1 emissions), and by emissions by involved in product transport and distribution (Scope 4 and 9). For this reason, we believe it important to reduce Scope 3 GHG emissions not only by the Group independently but also in collaboration with suppliers. Daimaru Matsuzakaya Department Stores, which emits a relatively large amount of GHG in the Group, began a campaign in FY2021 urging suppliers to cooperate in reducing such emissions. It will seek to expand the volume of eco-friendly products handled and improve efficiency in reducing such emissions. It will seek to expand the volume of eco-friendly products handled and improve efficiency in reducing such emissions.

Actual Scope 3 GHG emissions in FY2020

The amount of the Group’s Scope 3 GHG emissions in FY2020 totaled 2,922,739 t-CO2. The Group began calculating its entire GHG emission volume in the SBT base year of FY2017. We have since been doing such calculations, trying to improve the accuracy of emission volume calculated year after year. As a result, the Group’s record of Scope 3 GHG emissions in FY2020 was given a statement of third-party assurance from Lloyd’s Register Quality Assurance Limited (LRQA).

From now on, we will expand the number and scope of suppliers cooperating in such initiatives.

To conduct the assessment

In 2019, the Group sent the Principles of Action to its suppliers and asked them to support our views and rules regarding social responsibilities. We also held briefing sessions at Daimaru Matsuzakaya Department Stores. In fiscal 2021, we will conduct an assessment of the suppliers that have supported the Principles of Action to see the understanding of and compliance with the Principles of Action we have shared, and promote improvements through dialogue as necessary.

By repeating this process, we will understand the risks in the supply chain and build a sustainable supply chain that will be created along with our suppliers.

Initiatives for human rights due diligence

The Group pursues human rights initiatives in accordance with the Guiding Principles on Business and Human Rights established by the United Nations. Respect for human rights underlies all our business activities. We have deepened our understanding of human rights issues related to all our activities in associated countries and businesses. We also identified human rights risks in the Group, and formulated our human rights policy.

In the future, we will promote our human rights due diligence activities by assessing the status of compliance with the human rights policy shared with our suppliers and conducting dialogue for improvement with suppliers who were found to have a problem.

Process of human rights due diligence

In 2020, the Group identified human rights risks arising from its business activities. The Risk Management Committee identified and assessed risks based on environmental analyses, narrowed them down to the ones to be prioritized, and shared risk awareness throughout the Group as the list of the Group risks.

Directions for the Group’s Scope 3 GHG emission reduction

The size of circles shows that of category-wise emission share.