Social Initiatives

The environment around companies is changing, as seen in prolonged COVID-19 and human rights issues in supply chains. Social structure and consumption behavior have greatly changed due to its impact and it also has a great impact on corporate business activities. The Group aims to create a sustainable supply chain by sharing its views of sustainability with suppliers and fulfilling social responsibilities with suppliers. And we will work with suppliers to create a work environment in which the human rights of the people working in the supply chain will be protected and they will be able to continue to work in good health.

Human rights due diligence

There is increasing concern about human rights issues in Japan and abroad, such as forced labor and discrimination in supply chains and companies are expected to conduct business activities that respect human rights. The Group follows the PDCA cycle of human rights due diligence in accordance with the Guiding Principles on Business and Human Rights established by the United Nations and basking all its business activities on respect for human rights. By doing so, we will realize the business activities that respect the human rights of consumers, suppliers, and employees and contribute to realizing Well-Being Life for stakeholders.

Human rights assessment

From October to December 2021, we assessed 7,415 suppliers to see the dissemination status of the JFR Principles of Action for Suppliers. As for human rights, we checked their efforts in accordance with the “human rights policy” included in the Principles of Action.

We received responses from 3,012 suppliers, and as a result, they were found to generally comply with the human rights policy and saw no human rights risks to which we should pay close attention in this assessment.

On the other hand, as some suppliers had not yet in place human rights policies or guidelines, we will share the importance of human rights efforts through dialogue to encourage them to make improvements.

Identification of human rights efforts

In 2022, the Group identified anticipated human rights risks considering its business characteristics. And as subjects for considering its impacts on human rights, we identified “employees,” “suppliers (primary suppliers),” and “consumers (customers).”

References


•The JFR Group Risk List created by exhaustively extracting the Group’s risks
•The “results of the supplier assessment” conducted in fiscal 2021
•The “results of harassment questionnaire” given to all employees in the Group

We will focus on identified human rights risks, and at the same time, considering constantly changing environment around human rights, we will review human rights risks periodically and continuously.

Prevention and remedy of human rights risks

In order to prevent and remedy human rights risks, for employees, the Group disseminates the Principles of Action and provides human rights education. For suppliers, we disseminate the Principles of Action for Suppliers and engage in dialogue continuously for improvement. For customers (consumers), we have customer consultation desks and Consumer Product End-Use Research Institute, which conducts tests and provides consulting services concerning product quality. We will also strive to provide accurate and easy-to-understand information.

Initiatives for employees to respect their human rights

In 2020, the Group adopted a Declaration on the Elimination of Harassment to eliminate and prevent harassment, which it considers as one of human rights risks. The Harassment Prevention Committee and the Harassment Consultation Desk are in place to take prompt action at the time of occurrence and prevent a recurrence. In addition, we have a whistleblowing system that enables all officers and employees of the Group and all people working in the Group (including part-time workers and temporary staff from suppliers) to directly notify the Compliance Committee of any compliance-related problems and ask for correction.

Assessment concerning the JFR Principles of Action for Suppliers

From October to December 2021, we assessed the suppliers who have supported the JFR Principles of Action for Suppliers for the first time to see the status of understanding of and compliance with the Principles of Action.

•JFR Principles of Action for Suppliers

Assessment criteria

•Suppliers who answered “Yes” to 80% or more of total questions are deemed to comply with the Principles of Action.

<Assessment results>

The response rate was 40.6% with 3,012 companies responding. Approximately 68% 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 would engage in dialogue was only 1.5%.

<Action after assessment>

When some problems are found in disseminating the Principles of Action, the Group provides a venue for dialogue with relevant suppliers as necessary. We will share the results of assessment with suppliers and make them understand our view of supply chain management and the importance of complying with the Principles of Action through dialogue while grasping the situation of suppliers and encouraging them to make improvements.

Going forward, the Group will strive to make suppliers understand and support the importance of complying with the Principles of Action and respecting human rights. We will work to further disseminate the Principles of Action by holding explanatory meetings for suppliers and other means to create a sustainable supply chain.
To Realize Well-Being Life for Customers

The Group thinks of Well-Being Life as both mentally and physically, socially and environmentally fulfilling life as well as material and economic wealth. We are working with suppliers to create new customer experience and bustling communities centering on our stores using our commercial production capability and real estate assets to realize Well-Being Life for customers.

We are also working with local business operators to revalorize local communities by merging with online centering on the areas in which our stores are located.

For community development, see page 52.

Creation of store environment that is strong in disaster and epidemic prevention and reassures customers

The Group is working in an organized way to thoroughly prevent infection by verifying the measures we have taken so far and compiling the JFR New Infectious Disease Response Manual. The stores of Daimaru Matsuzakaya Department Stores and Parco periodically provide disaster training and BCP training and take safety and security measures, such as creating an environment that does not have the three Cs and strengthening air conditioning in buildings, to prevent the COVID-19 infection.

Daimaru Matsuzakaya Department Stores

Goal: To Realize Well-Being Life for Customers

- To center on reinforcing the management of the common area for local businesses
- To realize a stronger access management through local area centering
- To establish a smooth flow within the stores
- To realize an environment where all can feel comfortable

Daimaru Matsuzakaya Department Stores is working with local businesses and partners to create new collaboration with local communities and take actions to center on the local areas.

Daimaru Suma store

The Daimaru Suma store invited Koubi City Myodani Library in March 2021 when the store was renewed. It is the first public library in a department store in Japan. A lot of wood from Rakusen is used for benches in this library. We created a relaxation space in which people gather while enjoying shopping in the department store.

Sustainability

Sustainability

The Company issued sustainability bonds of ¥15.0 billion to contribute to resolving both environmental and social issues through business activities.

- Acquired renewal certificate and verification report
- Received White 500 Recommendation Program
- Received the "gold" level in FTSE4Good Index

Project category | Output | Outcome | Impact | Use and amount of funds
--- | --- | --- | --- | ---
Green building | Construction of the main building of Daimaru Shizuoka store | - | leading a decarbonized society and creating a global environment for future generations | Amount allocated already ¥5 million
Renewable energy | Purchase of renewable energy sourced electricity | - | Leading a decarbonized society and creating a global environment for future generations | Amount allocated already ¥100 million
Green procurement | - | - | - | Amount allocated already ¥100 million
Energy efficiency | Reduction of CO2 emissions by switching to LED lighting | - | - | Amount allocated already ¥100 million
Socioeconomic improvement and empowerment (Community) | - | - | - | Amount allocated already ¥100 million

Coexistence with local communities

Selected as FY2021 consecutive year Change survey

Sustainable bond (9th unsecured bond) reporting

- Recognized as White 500
- Received "gold" level in FTSE4Good Index
- Selected as constituent of MSCI Japan Empowering Women Index

Energy usage: 468,454 MWh
Renewable energy usage: 102,355 MWh
Scope 1 emissions: 1,339,041 t-CO2
Scope 2 emissions: 1,908,016 t-CO2
Scope 3 emissions: 3,503,403 t-CO2
Water usage: 2,448,000 m³

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