

Formulation and Dissemination of the JFR Principles of Action for Suppliers → **Scope 3 GHG** For the Realization of a Circular Society

Initiatives to Reduce Scope 3 GHG Emissions

▶ Long-term targets

2030
 Scope 3 GHG emissions
Aim for 40% reduction
 (vs. FY2017)

The Group will strive to reduce its GHG emissions to “contribute to a low-carbon society,” which is one of its materiality issues. In addition, we will take actions with an SBTi-approved long-term target to reduce GHG emissions from the supply chain (Scope 3*).

* Scope 3: Indirect emissions from activities in the entire supply chain not included in Scope 1 or 2

Scope 3 GHG Emissions Calculation and Acquisition of Third-party Assurance

In FY2019, the Group's Scope 3 emissions were 3,782,555 t-CO₂. We reviewed the calculation and tabulation rules for Scope 3 GHG emissions in FY2019 to improve the completeness of calculation scope and the accuracy of calculation results. As a consequence, the Group obtained third-party assurance from Lloyd's Register Quality Assurance Limited for Scope 3 GHG emissions in FY2019 for the first time.

→ Scope 1 and 2 GHG emissions

FY2019 Scope 3 GHG emissions

Category	Category name	Emissions (t-CO ₂)	Share (%)
1	Purchased goods and services	2,547,642	67.35
2	Capital goods	235,642	6.23
3	Fuel- and energy-related activities not included in Scope 1 or 2	33,447	0.88
4	Upstream transportation and distribution	33,119	0.88
5	Waste generated in operations	596	0.02
6	Business travel	4,456	0.12
7	Employee commuting	2,164	0.06
8	Upstream leased assets*1	-	-
9	Downstream transportation and distribution	792,100	20.94
10	Processing of sold products*2	-	-
11	Use of sold products	223	0.01
12	End-of-life treatment of sold products	67,385	1.78
13	Downstream leased assets	65,781	1.74
14	Franchises*2	-	-
15	Investments*2	-	-
Total Scope 3		3,782,555*3	100.00

*1 Excluded from Scope 3 calculation because it is calculated in Scope 1 and 2 emissions

*2 Excluded from Scope 3 calculation because they are not included in the business process of the Group

*3 Obtained third-party assurance from Lloyd's Register Quality Assurance Limited

Top Commitment	Sustainability Promotion System	JFR Materiality Issues	Contribution to a Low-Carbon Society	Management of the Entire Supply Chain	Coexistence with Local Communities	Promotion of Diversity	Realization of Work-Life Balance	Operating Companies' ESG Initiatives	Governance	Data
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Switch to green packaging materials

Packaging materials used in Daimaru Matsuzakaya Department Stores are being replaced with packaging materials made from eco-friendly paper beginning in September 2019. Specifically, we are making the switch to shopping bags made from paper sourced from the forests that are managed in an eco-friendly way.

Plastic bags for food products, which attract attention concerning ocean plastic waste, are also being replaced with bags made from 30% biomass (plant-based resources). As a result, we will be able to reduce GHG emissions by approximately 24% per piece compared to previous bags.

In June 2020, we began charging fees for Daimaru Matsuzakaya Department Stores original plastic bags and paper bags for food products.

In addition, for refrigerated delivery, Daimaru Matsuzakaya Department Stores uses packaging materials made of Stone-Sheet, which contributes to preventing global warming and can be used as a neutralizer that prevents dioxin from being produced. By using domestic calcium carbonate, Stone-Sheet can be made into containers and packaging materials. When burned, it emits 55% less CO₂ compared to polyethylene on a life cycle assessment (LCA) basis.

* 282,450 Stone-Sheets (full size paper equivalent) were used in fiscal year 2018.

Initiatives to go paperless

The Group actively strives to go paperless, for example, by digitalizing slips and documents as one of Scope 3 reduction measures.

Daimaru Matsuzakaya Department Stores introduced a new system for *gaisho* sales and uses electronic forms instead of paper slips when recording sales to reduce paper usage.

In addition, JFR Card started to issue credit card statements online. J. Front Design & Construction, Daimaru Kogyo, JFR Service, and JFR Information Center are also actively working to go paperless by replacing paper-based documents with electronic ones and using online storage.

Going forward, we will strive to refine the measurement of Scope 3 GHG emissions and further reduce emissions.

 ESG initiatives of operating companies



Shopping bags made from forest-certified paper



Plastic bags made from 30% biomass



バイオマスマーク
Biomass Mark

* The Biomass Mark is a label awarded by the Japan Organics Recycling Association to environmental products that utilize biomass (biologically-derived resources) and meet the requirements including quality requirements and standards.



バイオマスプラ
BiomassPla