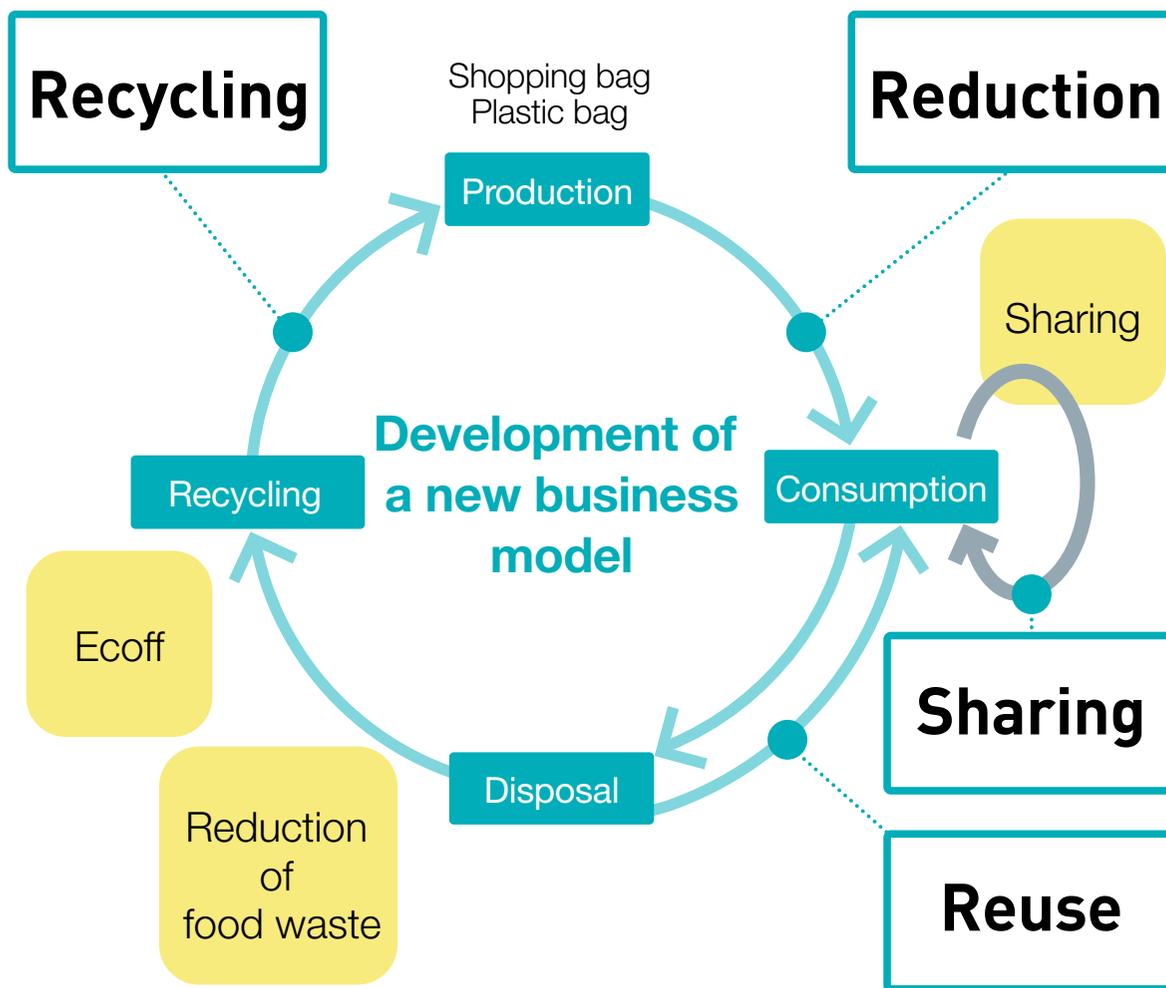


Top Commitment	Sustainability Promotion System	JFR Materiality Issues	Contribution to a Low-Carbon Society	Management of the Entire Supply Chain	Coexistence with Local Communities	Promotion of Diversity	Realization of Work-Life Balance	Operating Companies' ESG Initiatives	Governance	Data
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Formulation and Dissemination of the JFR Principles of Action for Suppliers Scope 3 GHG → For the Realization of a Circular Society

# For the Realization of a Circular Society

The Group aims to propose buying styles with customer participation through eco-friendly recycling and reuse activities and develop a new circular economy business model.



## Sharing

With shifting consumer values from owning to sharing, a “sharing economy” business model is spreading in the retail industry. The Group recognized this shift as a new business opportunity. If we can create a new business using our resources with a focus on sharing, the demand of existing customers will increase and we will be able to attract new customers. We think it will become a new pillar of our business as a Multi Service Retailer.

## Reduction of food waste

In Japan, 27.59 million tons\* of food is disposed of annually, which poses a major social problem. Daimaru Matsuzakaya Department Stores, which is the core business of the Group, strives to reduce and recycle food waste generated in the stores. The company installs garbage disposers and outsources the disposal of food waste to outside disposal companies so that food waste can be recycled as fertilizer. And we will work with suppliers to reduce food waste and increase the recycling rate of food waste.

\* Estimate by the Ministry of Agriculture, Forestry and Fisheries and the Ministry of the Environment (FY2016)

## Ecoff

The mass disposal and burning of clothing pose a major environmental and social problem. Daimaru Matsuzakaya Department Stores has been working with customers to reduce the environmental burden through the activities of the recycling campaign with customer participation “Ecoff” since fiscal year 2016 using its characteristics of having touch points with suppliers and customers in the supply chain.

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

## “Think GREEN” – Think Green and Act Green with Customers

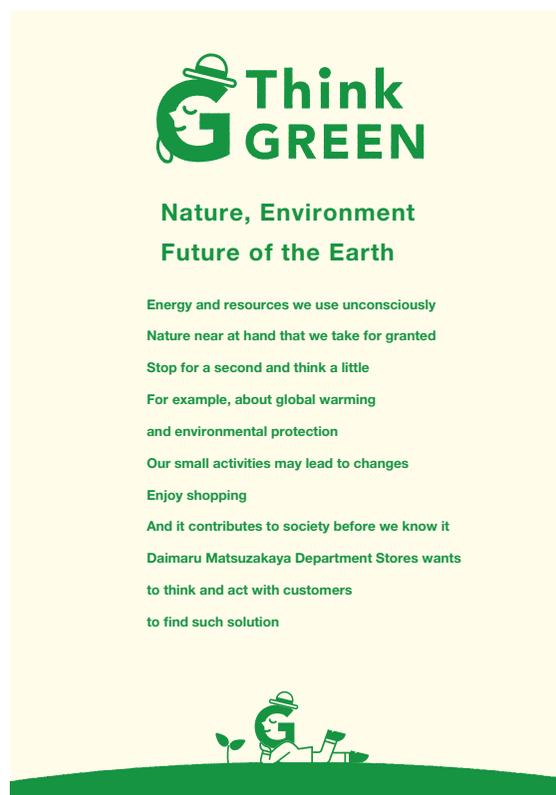
### Think GREEN initiative

In April 2020, Daimaru Matsuzakaya Department Stores launched the Think GREEN initiatives with the aim of promoting the realization of a circular society as mentioned in the Eco Vision with customers.

When Daimaru Matsuzakaya Department Stores announced that it would start charging fees for plastic bags in June, it also launched a website where various environmental activities are posted. First, as we started charging fees for plastic bags, we encourage customers to bring their own bags at all stores. We created a special web page “Let’s MY BAG,” which features reusable shopping bags recommended by each store to reduce the use of plastic bags with customers.

We originally planned to conduct the ECOFF recycling campaign in April at each store as part of the Think GREEN initiative. However, it was canceled due to COVID-19. We are considering contactless collection by putting safety and security first to carry out the campaign in the future.

Amid such circumstances, we released an animation titled “GREEN-san’s slow eco diary,” which provides easy eco lifestyle tips to continuously communicate with customers during the period when our stores closed temporarily and the voluntary ban on leaving home was requested. We will continue to provide information on the website “Think GREEN at home” so that customers enjoy at home.



Concept of Think GREEN



### ECOFF initiative

Since 2016, Daimaru Matsuzakaya Department Stores has been engaged in “ECOFF” initiative to collect and recycle disused clothing, shoes and bags. In exchange for them, we give customers “shopping support tickets” and encourage them to shop in the Daimaru or Matsuzakaya department stores as a circular system. This is a sustainable project with customer participation to reduce the burden on customers and the earth through eco-friendly activities. Amid rising customer awareness of reducing the environmental burden, we held the 7th campaign in April 2019 and the number of collected articles increased.

ECOFF collection boxes are permanently installed since June 2019 to recycle or reuse more items. In August 2019, we held a family event “ECOFF School,” which provides an opportunity for the participants to learn about recycling and reuse while enjoying playing. It made customers and their children as the next generation understand a circular society through recycling and reuse.

We will work with customers as stakeholders to realize a circular society through business activities.

#### Articles collected

Apr 2019	436,633 pcs.	106,456 kg
Nov 2019	401,809 pcs.	124,404 kg
<b>Total</b>	<b>2,322,021 pcs.</b>	<b>702,560 kg</b>

\* ECOFF collaborates with the recycling project BRING on recycling and reuse.