

→ Evolution from 3 Rs to Circular Economy | Seizure of New Business Opportunities

# Evolution from 3 Rs to Circular Economy

The Group newly added the “promotion of circular economy” to its materiality issues in fiscal year 2021. The Group will aim to reduce environmental load and seize new business opportunities at the same time through the “promotion of circular economy.”

## What the Group Aims to Be

Capitalism has grown based on the “linear economy” premised on mass production and mass consumption since the industrial revolution. On the other hand, various global environmental issues are worsening due to the explosive growth of the global population and improved living standards.

In this situation, there is an increasing importance of a “circular economy,” which maximizes the efficiency of use of natural resources and products and minimizes waste generation. A circular economy is an economic

system in which we use natural resources and products efficiently and cyclically, minimize waste generation, and commercialize such practices.

To date, the Group has practiced the 3 Rs\* to solve global environmental issues and has gained support from stakeholders.

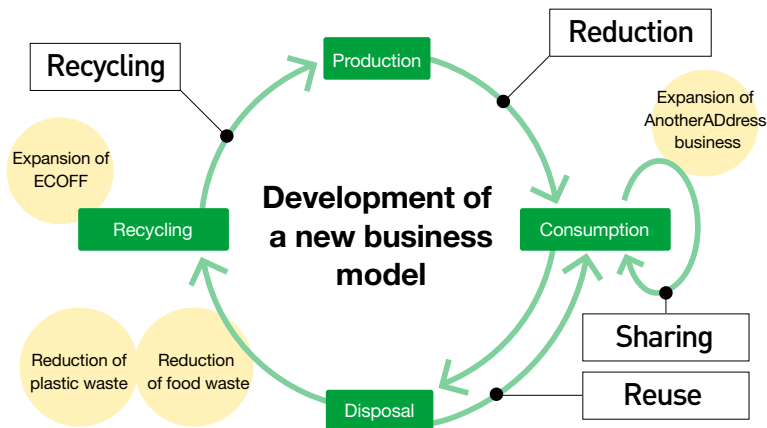
Going forward, the Group will evolve and expand 3 Rs centered on four key actions to realize a circular economy, and by doing so, aim to reduce environmental load and seize new business opportunities at the same time.

\*The 3 Rs stand for Reduce, Reuse and Recycle.

### [4 key actions]

- Reduction of food waste
- Reduction of plastic waste
- Expansion of project with customer participation ECOFF
- Expansion of fashion subscription business AnotherADdress

Overview of the circular economy the Group aims to create



## The Group’s United Efforts to Reduce Waste

The Group with retail at its core has strived to reduce waste in its all companies, and particularly, we think it is important to focus on the reduction of food waste and plastic waste.

### ● Actions to reduce food waste

Daimaru Matsuzakaya Department Stores’ actions include the reduction of food loss through online sale of short-dated products, the installation of garbage disposers in its stores, and the outsourcing of the processing of food waste into compost and feed.

### ● Actions to reduce plastic waste

The stores of Daimaru Matsuzakaya Department Stores and Parco promote the use of collapsible containers and department store’ standardized hangers with the cooperation of suppliers. Other operating companies also work on the recycling of plastic waste and other actions.

The Group reviewed the rules for calculating waste generation to unify the management of waste across the Group. As a result, waste generation in fiscal year 2020 was 9,216 t and we received third-party assurance.

Going forward, we will strive to grasp the actual state and promote waste reduction in terms of the reduction of generation and reuse.