

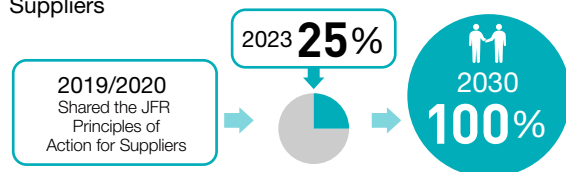
Reduction of Scope 3 GHG Emissions in Collaboration with Suppliers → **Creation of a Sustainable Supply Chain** Human Rights Due Diligence

Creation of a Sustainable Supply Chain

As it is more than ever required of companies to address sustainable procurement, the Group promotes the actions that fulfill social responsibilities and consider the environment throughout the supply chain. Thereby we will contribute to realizing a sustainable society and work with suppliers to mutually enhance corporate value.

Realization of Sustainable Procurement through the Dissemination of the JFR Principles of Action for Suppliers

Dissemination ratio of the JFR Principles of Action for Suppliers



We sent the formulated JFR Principles of Action for Suppliers to suppliers and asked them to support our view and rules on social responsibilities.

Furthermore, Daimaru Matsuzakaya Department Stores held meetings to explain the JFR Principles of Action for Suppliers and 530 suppliers attended them.

We will conduct such assessment continuously on a biennial basis by sending suppliers questionnaire concerning the major content of the JFR Principles of Action for Suppliers including environment and human rights and asking them to answer. Particularly, concerning human rights, we ask many questions in accordance with the Human Rights Policy.

If there are some problems in the result of the assessment, we will make improvements through the dialogue with relevant suppliers as necessary.

By repeating the improvement process through assessment and dialogue, the Group will disseminate the Principles of Action for Suppliers, thereby identifying risks in the supply chain and creating a sustainable supply chain with suppliers.

Formulation and sharing of the JFR Principles of Action for Suppliers

The Group identified the “management of the entire supply chain” as one of its materiality issues in 2018 and formulated the JFR Principles of Action and the JFR Principles of Action for Suppliers in 2019.

To conduct an assessment

In fiscal year 2021, we will start an assessment of the suppliers that have supported the Principles of Action for Suppliers to see the state of their understanding of and compliance with the shared Principles of Action for Suppliers.

Flow of the dissemination of the JFR Principles of Action for Suppliers

