Special Talk
 Top Message
 Environment
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 JFR's Materialities
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 Sustainability

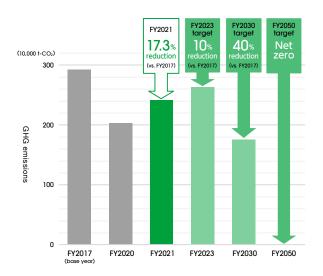
 Aiming to Achieve Net Zero by Fiscal 2050
 Reduction of Scope 1 and 2 Emissions by Strengthening Energy Measures
 > Reduction of Scope 3 Emissions in Collaboration with Suppliers
 Circular Economy the Group Aims for
 Information Disclosure in Line with TCFD Recommendations

Reduction of Scope 3 Emissions in Collaboration with Suppliers

The Group's Scope 3 emissions account for approximately 95% of the emissions from the entire supply chain. In light of this situation, the Group considers the reduction of Scope 3 emissions as well as the reduction of Scope 1 and 2 emissions as its important task and thinks it needs to work on that in collaboration with suppliers.

FY2021 Scope 3 Emission Results

In fiscal 2021, Scope 3 emissions were 2,420,492 t-CO₂, up 19.1% compared to fiscal 2020. It was because Category 1 (purchased goods and services) and Category 5 (waste generated in operations) increased from the previous fiscal year due to business recovery resulting from mitigation of the impact of COVID-19. On the other hand, as recovery was slow, the reduction compared to the SBT base year of fiscal 2017 was 17.3%



FY2021 JFR Group Scope 3 emissions (t-CO₂, %)

Category*		Emissions	Percentage of the total Scope 3 emissions
1	Purchased goods and services	2,186,380	90.33
2	Capital goods	110,787	4.58
3	Energy excluding Scope 1 or 2	24,319	1.00
4	Upstream transportation and distribution	28,529	1.18
5	Waste generated in operations	1,191	0.05
6	Business travel	1,880	0.08
7	Employee commuting	1,442	0.06
9	Downstream transportation and distribution	16,330	0.67
11	Use of sold products	1,864	0.08
12	End-of-life treatment of sold products	9,974	0.41
13	Downstream leased assets	37,796	1.56
Total Scope 3		2,420,492	100.00

*Category 8 is excluded from calculation because it is calculated in Scope 1 and 2 emissions.

Categories 10, 14, and 15 are excluded from calculation because they are not included in the business process of the Group.

Explanatory Meeting for Suppliers -

Daimaru Matsuzakaya Department Stores has strived to reduce Scope 1 and 2 emissions by switching to renewable energy-sourced electricity and LED lighting and electrifying corporate fleet in its stores and head office. On the other hand, its Scope 1 and 2 emissions are only approximately 5% of the total supply chain emissions due to the nature of the retail business, and Scope 3 emissions account for the remaining approximately 95%.

In light of this, Daimaru Matsuzakaya Department Stores held an "explanatory meeting concerning its initiatives to realize a decarbonized society" for suppliers in April 2022 (attended by 300 people from 253 companies). We showed the Group's determination by sharing the company's initiatives to realize a decarbonized society and explained that it is essential to collaborate with suppliers to reduce Scope 3 emissions and that visualization of emissions by each supplier will be the first step for reduction.

Going forward, we will contribute to realizing a decarbonized society by the entire supply chain by considering and implementing concrete measures to reduce Scope 3 emissions in collaboration with suppliers to achieve net zero by fiscal 2050.



Explanatory meeting for suppliers