Sustainability

Well-Being Life as the goal of the Group Vision

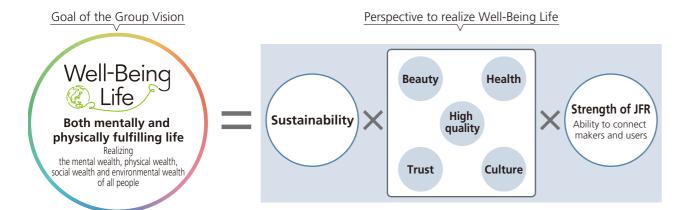
Recently, the business environment has become increasingly uncertain. In addition, in the society that has transitioned to the new normal due to the prolonged COVID-19 impact, companies should understand social value and carry out management under the umbrella of sustainability management.

We believe that we will be able to obtain a "framework for sustainable management" for future growth by incorporating the concept of sustainability into our corporate strategies and business strategies. And we have named unique new wealth as Well-Being Life and positioned it as the goal of the Group Vision.

Well-Being Life = Both mentally and physically fulfilling life

We think of Well-Being Life as "both mentally and physically fulfilling life" that realizes spiritual (intellectual and cultural), physical and social wealth as well as conventional material and economic wealth and the wealth of the environment surrounding them.

We will propose Well-Being Life to stakeholders from the perspective that combines "sustainability," our unique characteristics including "beauty," "health," "high quality," "culture" and "trust," and our "ability to connect makers and users," which is our strength.



Sustainability promotion system

The Sustainability Committee, which is an advisory committee directly under the President and Representative Executive Officer, meets semiannually since fiscal 2019 to promote sustainability management across the Group. The committee shares the Group's policies to respond to environmental and social issues, formulates the Group's action plans on environmental and social issues, and monitors the progress. In addition, the Board of Directors receives the

Sustainability promotion system



reports on the content of discussions and decisions made at the committee and discusses and oversees the Group's policies and action plans to respond to environmental and social issues.

Internal dissemination

In order to promote sustainability management, we recognize that it is important for individual employees to correctly understand the importance of sustainability management and seven materiality issues and treat them as the matters that concern themselves. To this end, the President and Representative Executive Officer has in person a dialogue with employees in briefing and training sessions. We also provide information to employees by publishing internal newsletters and using internal website and internal SNS that are dedicated to sustainability information.



List of long-term goals for seven materiality issues

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Materiality issue Related SDGs	Major stakeholder	KGI for 2030	KPI for 2030
Realization of decarbonized society 7 APPROXIMENTAL TO CLAMATE ACTION 13 CLAMATE ACTION	Customers Suppliers Employees Local communities	Leading a carbon-free society and creating a global environment for the next generation	 60% reduction of Scope 1 and 2 GHG emissions (vs. FY2017) Share of renewable energy in total electricity used for business activities: 60% Expansion of in-house generation and consumption of renewable energy
Promotion of circular economy 12 MEROWRIE 13 CULMATE ACTION AND PROJECTION AND P	Customers Suppliers	Realizing a sustainable global environment for the future and corporate growth through the promotion of circular economy	 50% reduction of waste (including food) (vs. FY2019) Total weight of the items collected via ECOFF for recycling: 3,000 t Expansion of recycling and remanufacturing of used products Expansion of the share of businesses such as sharing, subscription and upcycling
Management of the entire supply chain 7 HURDANEERS ACTION 13 CAMARE ACTION	Customers Suppliers	Realizing decarbonization throughout the supply chain created along with suppliers Realizing sustainable supply chain created along with suppliers Realizing Well-Being in which we, along with suppliers, protect the human rights and health of the people working along the supply chain	 Aiming for 40% reduction of Scope 3 GHG emissions (vs. FY2017) Assessment of the Principles of Action for Suppliers, collection ratio of questionnaires: 95%, dissemination ratio: 100% Establishment of business activities in which the human rights of suppliers and employees are respected
Promotion of diversity & inclusion 5 GROUPH 6 GROUPH	Customers Employees	Realizing a highly diverse society where everyone recognizes each other's diversity and flexibly demonstrates his/her individuality	 Aiming for the ratio of women in management positions of 50% Aiming for retirement at 70 Employment ratio of the disabled: 3.0% Realizing business growth by use of diverse abilities Providing sales floors, products and services that cater to the needs of diverse customers
Realization of work-life integration 3 000 HEALTH MAN WELLSTING MON WELLSTING 8 ESCENTIVIOUS AND COMMISSIONE AND WITH A PROPERTY OF THE	Employees	Realizing Well-Being for the employees and their families through new work styles for the future in which diversity and flexibility will be realized	 Turnover rate due to childcare and nursing care: 0% Childcare leave usage rate: 100% Employee satisfaction: 80% Improving productivity by creating organization in which employees can work anytime and anywhere
Realization of customers' healthy/safe/secure life 3 MONTHELERNO LOCALITY AND PRODUCTION AND PR	Customers	 Realizing a future-oriented Well-Being Life that satisfies the mind and body of customers Creating safe, secure, and resilient stores with an eye on the future 	Customer awareness and empathy of the Group's sustainability activities: 80% Expansion of offerings for ethical consumption in all lifestyles Adding color to lifestyles by expanding entertainment business and wellness business Creating highly resilient stores by adopting the latest technologies to prevent disasters and epidemics and providing comfortable spaces with consideration of health
Coexistence with local communities 11 SECONDATE THE FORTHER COMPANY FORTHER C	Customers Local communities	■Together with local communities, creating prosperous future-oriented communities in which people gather, centered on our stores	 Enhancement of the appeal of area leveraging local uniqueness including culture and history, development that contributes to attracting a crowd to the area CSV in stores across the Group (making stores sustainable) Promoting local revitalization in collaboration with governments, educational institutions, NGOs, NPOs Promoting local revitalization by finding and providing locality content such as local production for local consumption (chisan-chisho)

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