

# Approved as SBT and Support for TCFD Recommendations

## Approved by SBT Initiative

The GHG emissions reduction targets set by the Group were approved as science-based reduction targets by the international Science Based Targets initiative (“SBTi”)\* in October 2019.

The SBTi updated its target validation criteria by adding two categories including “1.5°C” and “well-below 2°C” to its existing upper limit of temperature rise of “2°C” above pre-industrial levels in December 2019 reflecting the IPCC Special Report on global warming of 1.5°C published in October 2018.

The Group’s targets were approved under the second strictest category of “well-below 2°C”-aligned targets.

Daimaru Matsuzakaya Department Stores, a main operating company, is taking actions such as use of 100% renewable energy in the head office building (Koto-ku,

Tokyo) and the Daimaru Shinsaibashi store to reduce GHG emissions. As a result of these efforts, the Group reduced Scope 1 and 2 GHG emissions by 6.0% in fiscal year 2018 compared to fiscal year 2017, which is the base year. Originally, we set the GHG reduction target for fiscal year 2018 at 3.9% below fiscal year 2017 in the same scope. So the Group steadily reduces GHG emissions.

The Group will take more proactive measures such as the expansion of the share of renewable energy and the strengthening of energy saving to achieve the targets approved by the SBTi.

\* Established by a collaboration between four organizations including CDP, the UN Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) in 2015 for the purpose of promoting the achievement of science-based GHG emissions reduction targets to limit the temperature increase to below 2°C compared to pre-industrial levels.

## Support for TCFD Recommendations

The Group expressed its support for the recommendations of the “Task Force on Climate-related Financial Disclosures (TCFD)” that was established by the Financial Stability Board (TCFD recommendations) in May 2019.

And in Japan, the “TCFD Consortium” was launched on May 27, 2019 as an opportunity for holding discussions on effective corporate information disclosure and initiatives that lead disclosed information to financial institutions’ appropriate investment decision making and we participated in it. We actively join the working groups organized by the “TCFD Consortium” with the hope of leading it to constructive dialogue with investors and financial institutions.

Going forward, the Group will effectively disclose information on its actions for climate change in line with the TCFD recommendations.



SBTi GHG emissions reduction requirements

	Long-term target (temperature rise limit)	Annual reduction rate	Approved category for the Group
High ↑ ↓ Low	1.5°C Approx. 66% probability of keeping temperature rise below 1.5°C in 2100	4.2% reduction each year	
	Well Below 2°C Approx. 66% probability of keeping temperature rise below 2°C in 2100	2.5% reduction each year	
	2°C Approx. 50% probability of keeping temperature rise below 2°C in 2100	1.23% reduction each year	

### GHG emissions reduction targets approved by the SBTi

- Scope 1 and 2  
Reduce GHG emissions by 40% by 2030
- Scope3  
Aim to reduce GHG emissions by 40% by 2030  
(Both compared to FY2017)



### External recognition

- Rated “A-” in the CDP climate change survey 2019

J. Front Retailing was first rated “A-” in the “CDP climate change survey 2019” conducted by CDP, an international NGO. The climate actions of the Company, which defines “contribution to a low-carbon society” as one of its five materiality issues,



including the efforts to obtain approval from the SBT initiative and support for the TCFD recommendations were recognized.