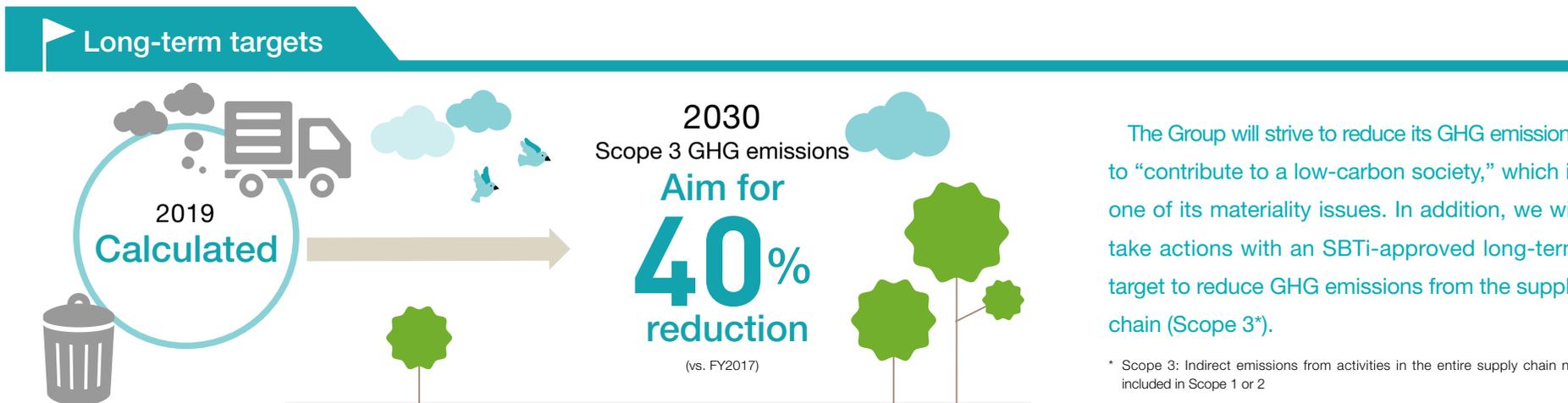


Formulation and Dissemination of the JFR Principles of Action for Suppliers → **Scope 3 GHG** For the Realization of a Circular Society

Initiatives to Reduce Scope 3 GHG Emissions



Scope 3 calculation and reduction measures

The Group calculated Scope 3 emissions for the first time in 2018.

In FY2018, Scope 3 emissions increased by 1.6% compared to FY2017. It is partly because “investment in emissions from construction and manufacturing of the reporting company’s capital goods,” which is one of Scope 3 categories, increased by 48% from the previous year due to capital investment in the Daimaru Shinsaibashi store and Shibuya Parco.

Going forward, we will aim to acquire third-party assurance and strive to reduce GHG emissions in the entire supply chain.

☞ Scope 1 and 2 GHG emissions

Emissions by category

Unit: t-CO₂, unless otherwise indicated

Category	Category name	Emissions FY2017	Emissions FY2018	% change
1	Purchased goods and services	2,701,108	2,704,488	0.1
2	Capital goods	81,883	120,929	47.7
3	Fuel- and energy-related activities not included in Scope 1 or 2	17,966	17,712	(1.4)
4	Upstream transportation and distribution	7,400	9,727	31.4
5	Waste generated in operations	845	759	(10.1)
6	Business travel	627	627	0
7	Employee commuting	1,158	1,173	1.3
8	Upstream leased assets*1	-	-	-
9	Downstream transportation	168,727	171,229	1.5
10	Processing of sold products*2	-	-	-
11	Use of sold products*3	-	-	-
12	End-of-life treatment of sold products	68,423	69,679	1.8
13	Downstream leased assets	26,914	26,914	0
14	Franchises*2	-	-	-
15	Investments*2	-	-	-
Total		3,074,960	3,123,236	1.6

*1 Excluded from calculation because it is calculated in Scope 1 and 2 emissions

*2 Excluded from calculation because they are not included in the business process of the Group

*3 Excluded from calculation because the product line of the retail business, which is the core business of the Group, does not include major appliances, vehicles, etc. and has almost no impact on GHG emissions of the business

Top Commitment	Sustainability Promotion System	JFR Materiality Issues	Contribution to a Low-Carbon Society	Management of the Entire Supply Chain	Coexistence with Local Communities	Promotion of Diversity	Realization of Work-Life Balance	Operating Companies' ESG Initiatives	Outside Director's Message	Governance	Data
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Switch to green packaging materials

Packaging materials used in Daimaru Matsuzakaya Department Stores are being replaced with packaging materials made from eco-friendly paper beginning in September 2019. Specifically, we are making the switch to shopping bags made from paper sourced from the forests that are managed in an eco-friendly way.

Plastic bags for food products, which attract attention concerning ocean plastic waste, are also being replaced with bags made from 30% biomass (plant-based resources). As a result, we will be able to reduce GHG emissions by approximately 24% per piece compared to

previous bags.

For refrigerated delivery, Daimaru Matsuzakaya Department Stores uses packaging materials made of Stone-Sheet, which contributes to preventing global warming and can be used as a neutralizer that prevents dioxin from being produced. By using domestic calcium carbonate, Stone-Sheet can be made into containers and packaging materials. When burned, it emits 55% less CO₂ compared to polyethylene on a life cycle assessment (LCA) basis.

* 282,450 Stone-Sheets (full size paper equivalent) were used in fiscal year 2018.

Initiatives to go paperless

The Group actively strives to go paperless, for example, by digitalizing slips and documents as one of Scope 3 reduction measures. J. Front Retailing worked on going paperless in 2018, and as a result, the Company could decrease paper usage in its offices by approximately 50% in the year.

Daimaru Matsuzakaya Department Stores introduced a new system for *gaisho* sales and uses electronic forms instead of paper slips when recording sales to reduce paper usage.

In addition, JFR Card started to issue credit card statements online. J. Front Design & Construction, Daimaru Kogyo, JFR Service, and JFR Information Center are also actively working to go paperless by replacing paper-based documents with electronic ones and using online storage.

Going forward, we will strive to refine the measurement of Scope 3 GHG emissions and further reduce emissions.

 ESG initiatives of operating companies



Shopping bags made from forest-certified paper



Plastic bags made from 30% biomass



バイオスマーク
Biomass Mark



バイオマスプラ
BiomassPla

* The Biomass Mark is a label awarded by the Japan Organics Recycling Association to environmental products that utilize biomass (biologically-derived resources) and meet the requirements including quality requirements and standards.