

Sustainability Management/Priority Initiatives (Materialities)

Our Views on Sustainability

With the view that sustainability issues are important issues that support the Group's management foundation, we are promoting initiatives based on the Isetan Mitsukoshi Group Policy on Sustainability and five other sets of guidelines and policies.

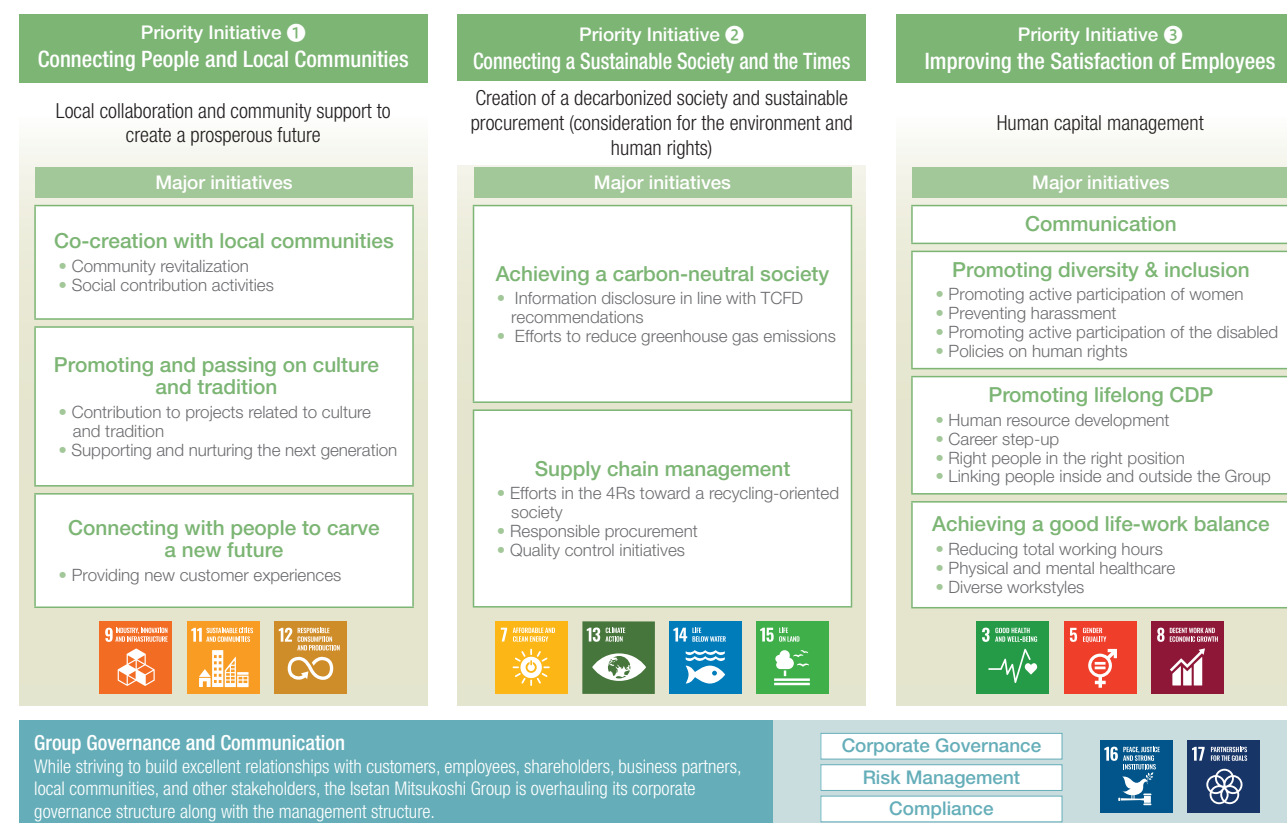
In June 2023, we established the Isetan Mitsukoshi Group Code of Conduct for Suppliers. We will work hand-in-hand with our business partners and suppliers to build a sustainable supply chain through their understanding and implementation of this new code of conduct.



The Isetan Mitsukoshi Group's Priority Initiatives (Materialities)

We have identified three priority initiatives that we will pursue based on a foundation of governance and communication.

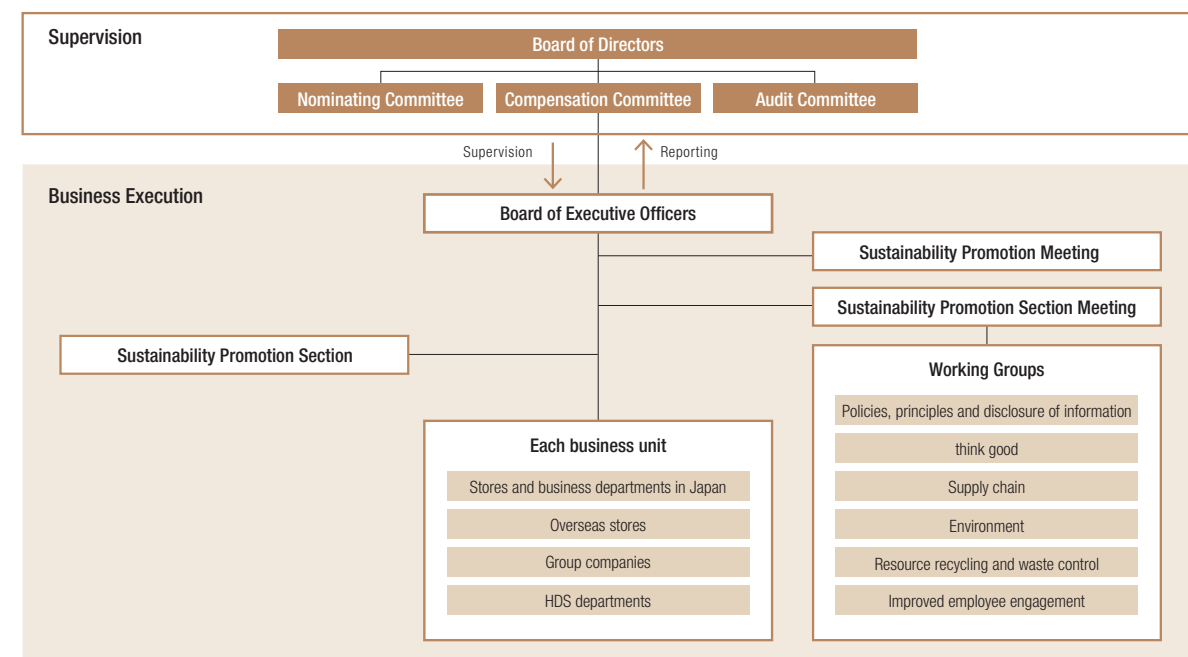
The priority initiatives we have identified are as follows: "Connecting People and Local Communities," "Connecting a Sustainable Society and the Times," and "Improving the Satisfaction of Employees." We identified these initiatives based on whether they are issues that can be addressed by capitalizing on our core business, are meaningful for the Group to address, and can produce results.



Structure for Promoting Sustainability

In FY2018, Isetan Mitsukoshi Holdings totally revised the Group structure for the management of conventional CSR activities, including environmental measures, from the viewpoints of the Environment, Society, and Governance (ESG) and the Sustainable Development Goals (SDGs). We aim to achieve sustainable business management by both solving social issues through our business and improving corporate value under the leadership of senior management by establishing and holding the Sustainability Promotion Meeting chaired by the CEO.

Organization for promoting sustainability in FY2023



*HDS stands for "holdings company."

Participating Initiatives/External Evaluations

Here is a partial list of initiatives we are participating in to enhance our sustainability efforts, as well as external evaluations of the initiatives we have been taking.

Participating initiatives



In March 2023, we endorsed and became signatory to the principles of the United Nations Global Compact (UNGC). We will fulfill our social responsibility as a corporation by complying with and practicing the 10 principles advocated by UNGC in the four areas of human rights, labour, environment, and anti-corruption.

ESG investment indexes



FTSE Blossom Japan Sector Relative Index^{*1}

FY2023 constituents

Designed to measure the performance of Japanese companies that are doing relatively well with respect to environmental, social, and governance (ESG) in their respective sectors.

In addition, to facilitate the transition to a low-carbon economy, only those companies with particularly high greenhouse gas emissions whose efforts to make improvements are recognized by the TPI Management Quality Score are included.

External evaluations



In 2022, we were selected as an A List company in a CDP study on climate change, the highest rating. In order to play a more active role in addressing climate change, the Group endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2021. Based on multiple scenarios, we are moving forward with analysis and reviewing our approaches. In our Long-term Environmental Targets for 2050, we have set the goal of achieving virtually zero greenhouse gas emissions. Since 2022, we have been working toward this goal based on the three axes of energy conservation, energy creation, and renewable energy.

2023



Sompo Sustainability Index

FY2023 constituents

Approximately 300 companies that demonstrate outstanding initiatives with respect to environmental, social, and governance (ESG) are selected as constituents and used in the Sompo Sustainable Management investment product.

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

MSCI Japan Empowering Women (WIN) Index^{*2} MSCI Japan Empowering Women (WIN) Select Index

Constituents (as of June 2023)

Constructed by selecting companies that excel in gender diversity within their industries based on MSCI's newly developed Gender Diversity Score. Companies that MSCI ESG Research assesses as having committed very serious misconduct or serious misconduct in terms of human rights or labor rights are excluded.

^{*1} FTSE Russell confirms that Isetan Mitsukoshi Holdings Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

^{*2} The inclusion of Isetan Mitsukoshi Holdings Ltd. in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Isetan Mitsukoshi Holdings Ltd. by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.