

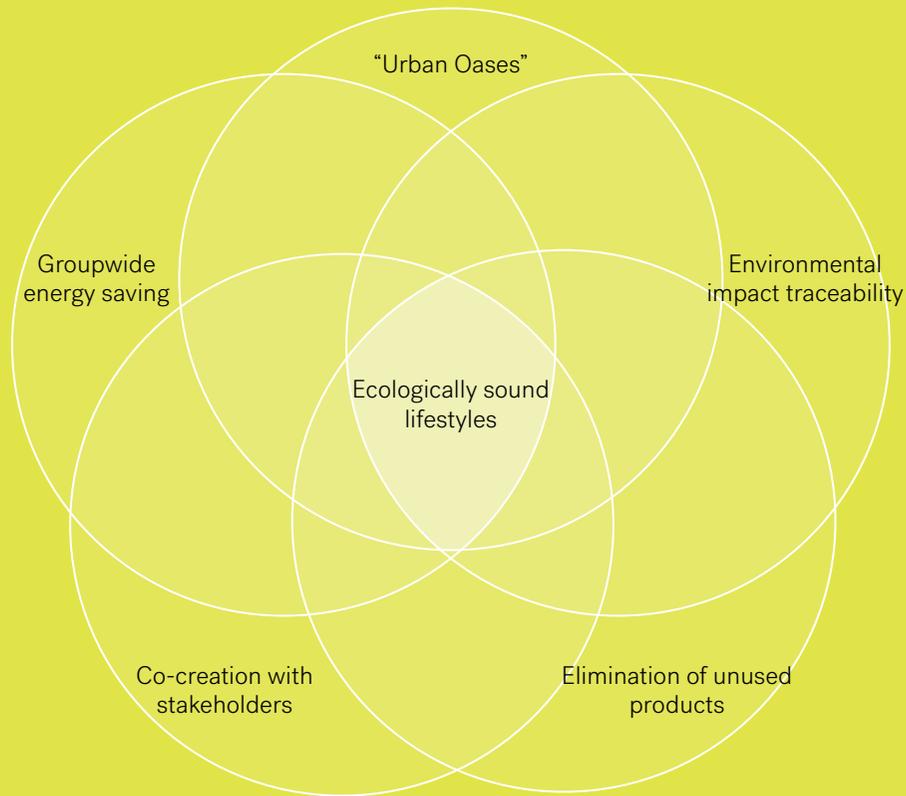


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## Ecological Inclusion

MARUI GROUP's Goal

We will develop eco-friendly businesses that are considerate of natural capital and propose ecologically sound lifestyles that are in harmony with nature and the environment.



As a company that provides customers with fulfilling lifestyles, our environmental responsibilities are not limited to reducing our own environmental impact. We believe that MARUI GROUP can propose ecologically sound lifestyles as it promotes ecological inclusion through co-creation activities with its stakeholders prefaced on consideration for the environment throughout society.



## Group Effort to Reduce Environmental Footprint

### Creation of Biodiversity-Rich Spaces in Urban Areas



Nakano Marui's Four Seasons and Waterside Gardens (top photograph) were certified as "Urban Oases" in 2013 and 2016. They also received the Nakano Greenery Contribution Award in 2015 and an award in the 5th Contest for Corporate Activities on Biodiversity in 2016.

The Q-COURT British-style garden (bottom photograph) of the Shinjuku Marui Main Building was certified as an "Urban Oasis" in 2014.

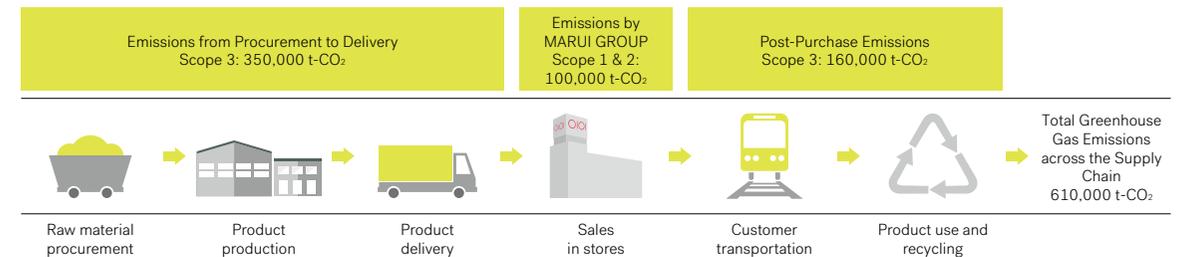
### Renewable Energy Initiatives

Nakano Marui participates in green power certification systems and is utilizing renewable energy sources for a portion of the electricity it consumes. Also, solar power generation facilities were installed at AIM Logisport (Toda City, Saitama Prefecture) in 2014, and we are advancing other initiatives for utilizing renewable energy.



### Tracking of Environmental Footprint across the Value Chain

MARUI GROUP endeavors to track its environmental footprint across the entire value chain with regard to emissions of CO<sub>2</sub> and other greenhouse gases, based on which it advances measures for reducing its footprint together with customers, business partners, communities, and society as a whole.



The Company calculates emissions volumes based on the *Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain*, released by the Ministry of the Environment and the Ministry of Economy, Trade and Industry. The results of these calculations have been checked by Mizuho Information & Research Institute, Inc.

### Employee Comment



**Mamoru Koide**  
Sales Representative Manager,  
Nakano Marui  
MARUI CO., LTD.

### Expansion of Ecological Network through Co-Creation with Community Members

Nakano Marui's Four Seasons and Waterside Gardens provide refreshing spaces for people living in Nakano, places in which they can relax when they get a break from work. Several community members requested that these spaces be used for events, inspiring us to work together with local councils and shopping districts to plan events rooted to the Nakano community in the gardens, such as educational events for teaching children about nature and animals. When these gardens were first opened, they originally felt a bit artificial. Seeking to make the gardens a hospitable environment for animals, rather than just a tool for reducing our environmental impact, we worked together with specialists, receiving advice on how trees should be planted and other matters. Now, the gardens seem more natural, even to the degree that birds lay eggs in them. Going forward, we hope to continue to expand our ecological network through co-creation activities with community members in order to create a space for enjoying connections with nature and learning the importance of animals.



# Proposal of Ecologically Sound Lifestyles

MARUI GROUP seeks to reduce waste throughout all processes related to its private brands, from product development to the trade-in of no-longer-necessary products. In addition, on private brand products, we display information about the environmental impacts that will occur throughout their entire lifecycle. We thereby propose ecologically sound lifestyles by helping customers choose eco-friendly products.

## Evolution from Reuse to Reduction

Introduced in 2010, the apparel recycling program entails collecting trade-ins of clothing and shoes so that these items may be reused (resold). In addition, we ask customers submitting trade-in items about their shoe-related concerns and use this information in the development of our Rakuchin Kirei series of private brand shoes, which feature not only appealing designs but also superior comfort delivered through sizes matched to customer feet. In developing these shoes, we have employed a process fine-tuned to addressing customer concerns. This process includes having customers participate in planning meetings and creating original shoe trees to expand the range of sizes we can provide. These efforts help to prevent products from going unused due to not matching customer needs, for example, being too painful to wear and thus getting thrown away, effectively expanding the function of the apparel recycling program to include the reduction of waste. We hope to contribute to the resolution of social issues through these efforts.



## Omni-Channel Try-On Stores Mitigating Environmental Impacts

It is common for shoes sold via the Internet to be returned due to not matching the customer's foot shape or size. Handling these returns results in wasted energy and packing. Our omni-channel try-on stores are an initiative advanced in an integrated manner by the Group that unites product creation, Internet sales, and physical stores to address this issue. These stores eliminate the need for store inventories, subsequently lowering the risk of inventory disposal losses, while also reducing customer returns and with it, warehouse inventories. Try-on stores thus help mitigate environmental impacts.

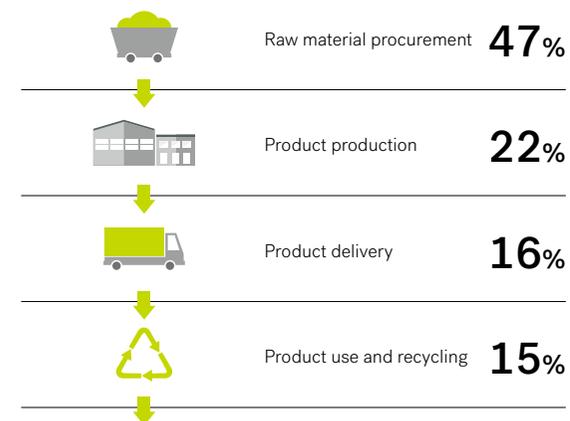
## Social Benefits of Try-On Stores



## Initiatives Targeting Customers Hoping to Help Address Environmental Issues

In August 2014, MARUI GROUP took steps to display the carbon footprint, or the amount of CO<sub>2</sub> emissions, of each pair of Rakuchin Kirei series shoes to make clear the environmental impact associated with these shoes across the value chain. These displays help customers make a conscious decision to choose eco-friendly shoes. This is one way in which we are proposing ecologically sound lifestyles to customers hoping to help address environmental issues by purchasing eco-friendly products.

## Example Breakdown of CO<sub>2</sub> Emissions throughout Shoes Value Chain



The results of these calculations have been checked by Mizuho Information & Research Institute, Inc.



In-store display informing customers about carbon footprint initiatives

## Ecological Actions to Eliminate Environmental Impacts

MARUI GROUP is proposing ecologically sound lifestyles to the greater society and promoting ecological inclusion together with its customers, business partners, and other stakeholders.

## Revision of MARUI GROUP Environmental Policy from a Natural Capital Perspective

MARUI GROUP views all the resources it uses in its business as being borrowed from society. Based on this belief, we examined the impacts of our business on natural capital and then revised the MARUI GROUP Environmental Policy in order to better guide us in preventing climate change and pollution and otherwise advancing eco-friendly business activities on a Groupwide basis.

→ See page 45 for more information on the MARUI GROUP Environmental Policy.

## Responsible Procurement Practiced Together with Business Partners

The MARUI GROUP Procurement Policy was formulated in April 2016 to serve as a roadmap for practicing responsible procurement together with business partners across the entire supply chain in relation to the development of private brands. To disseminate this policy, we held explanatory forums with approximately 100 partners. Surveys were then distributed and on-site investigations were conducted by dedicated staff from the CSR Promotion Department. The findings of these activities have been shared with partners. Moreover, based on the opinion of a third-party institution, we adopted an approach emphasizing mutual cooperation in encouraging business partners to adhere to this policy.

## Offset of 50 Tons of CO<sub>2</sub> Emissions in 2016

MARUI GROUP has employed carbon offset schemes since 2009 as an ecological action for offsetting emissions of CO<sub>2</sub> and other greenhouse gases that it is unable to reduce in its own operations through reductions or the absorption of emissions elsewhere.

These efforts have been highly evaluated, as indicated by the Company receiving an award of excellence in the 6th Carbon Offset Awards.

→ See page 43 for more information on awards received.

