Approach to Sustainability

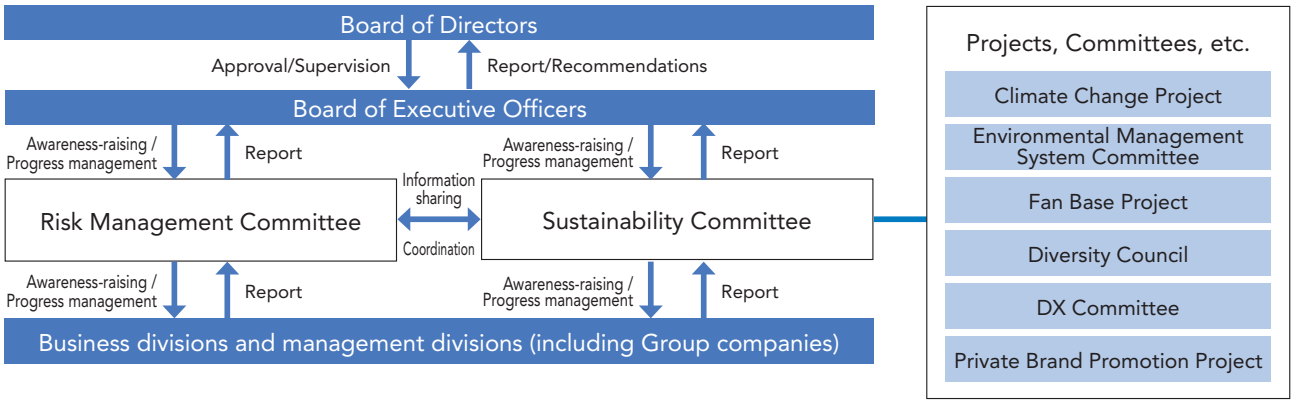
Promotion of Sustainability Management

At the Group, we are promoting sustainable management aimed at realizing a sustainable society in which no one is left behind, guided by our management philosophy of "Connecting people and society to the future with a smile" and in accordance with the spirit of our corporate motto of "Thoughtfulness."

We view major changes—such as shifts in social structures and values, as well as changes in the global environment—as opportunities, and aim to create two types of social value: "Helping to strengthen the resilience of an aging society" and "Achieving household carbon neutrality." To achieve this, we have established the management vision of "Becoming a hub for the infrastructure of life through the power of home appliances and ICT (information and communication technology)."

Centering on the seven material issues we have identified to realize this vision, we will foster a virtuous cycle of social value creation and corporate value enhancement, and strive for sustainable growth under a robust governance framework.

Sustainability promotion system



History of Sustainability

Participation/Endorsement

- Endorsement of the TCFD Recommendations
- Endorsement of the Japan Climate Initiative
- Signing of the UN Global Compact
- Participation in the GX League
- SBT short-term target certification

Policy

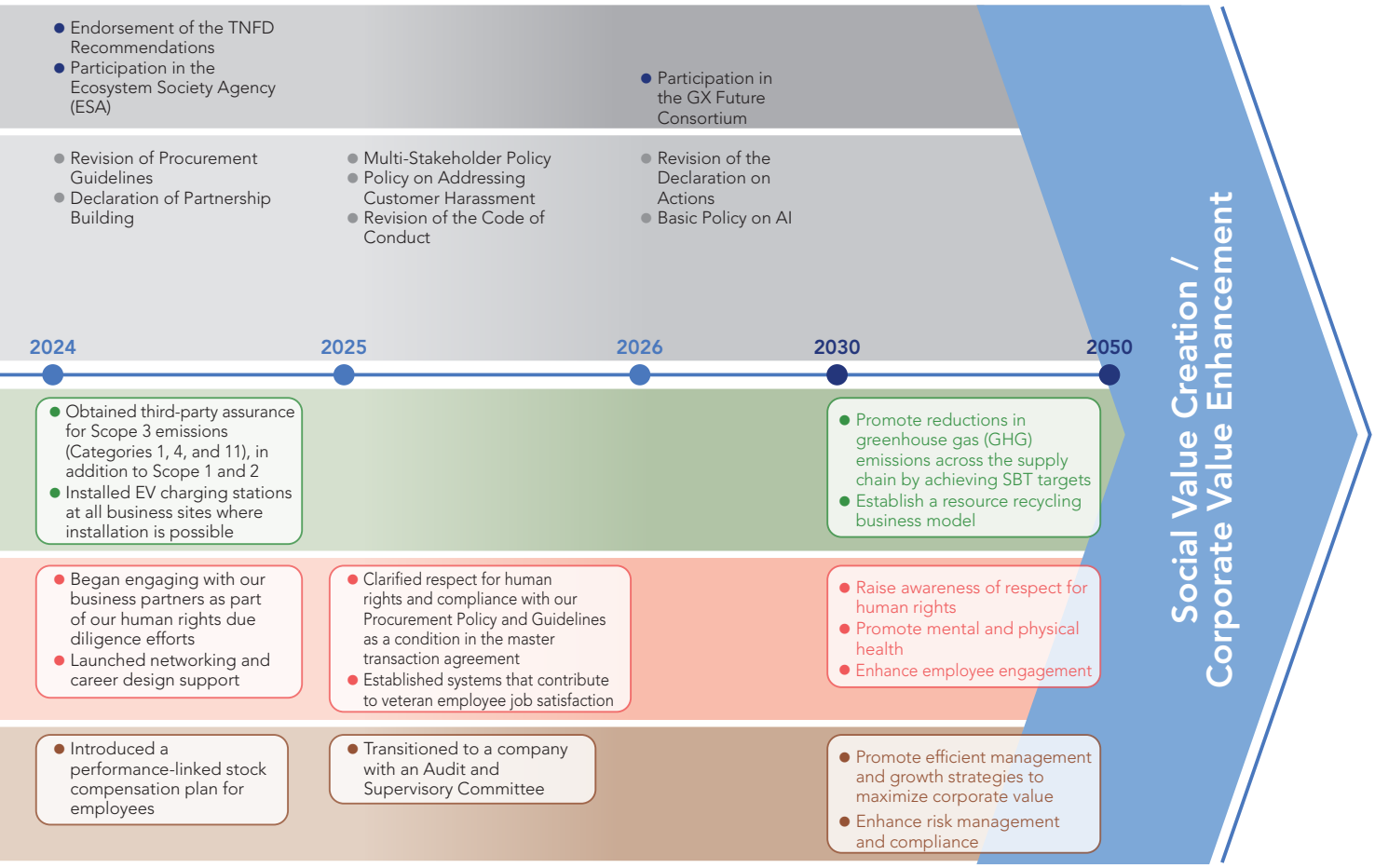
- Environmental Philosophy (1998)
- Personal Information Protection Policy (2003)
- Basic Policy on Information Security (2004)
- Basic Policy on the Establishment of Internal Control Systems (2006)
- Voluntary Action Guidelines for Product Safety of Joshin Group (2007)
- Basic Policy on Exclusion of Antisocial Forces (2011)
- Basic Business Continuity Policy (2016)
- Procurement Policy and Procurement Guidelines
- Revision of Environmental Policy (Environmental Philosophy, Environmental Action Guidelines, Green Smile Challenge 2050)
- Human Rights Policy
- D&I Policy
- Anti-Corruption Policy

Main Initiatives

	Up to 2020	2021	2022	2023
Environment	● Headquarters building acquired ISO 14001 certification (2000)		● Formulated a roadmap for initiatives through 2050 ● Obtained third-party assurance for Scope 1 and 2 emissions	● Completed introduction of 100% renewable electricity at business sites where the Company contracts directly with power suppliers
Society	● Acquired Privacy Mark certification (2005)		● Established the Diversity Council, a forum for employees to voice their opinions ● Launched a health literacy improvement program led by professionals	● Extended the period for using the shorter working hours system for childcare until the child graduates from middle school ● Began promoting employees to managerial positions regardless of their chosen work location
Governance	● Acquired ISO 22301 certification (2017) ● Formulated the succession plan (2020)	● Established the Sustainability Committee ● Developed the skills matrix		● Revised performance-linked stock compensation plan for officers (added ESG indicators to criteria used to calculate compensation)

● Endorsement of initiatives ● Formulation and revision of policies and declarations
Main initiatives: ● Environment ● Society ● Governance

For more information on external evaluations, refer to p. 95.

FY2025 sustainability-related discussions and reports

Sustainability-related meeting bodies	Members	No. of sessions	Summary of ESG-related discussion/report content
Board of Directors	Directors and executive officers Independent outside directors, Audit and Supervisory Committee members	17	● Progress of medium- to long-term sustainability management strategies and medium-term management plan ● Report on sustainability-related issues with respect to key division-specific actions for the 78th term ● Revision of the Joshin Group Declaration on Actions and the Joshin Group Code of Conduct ● Report on the governance survey
Board of Executive Officers	Executive directors Executive officers Independent outside directors attend as observers	34	● Initial introduction of a PPA-based solar carport at the Joshin Handa Store and Joshin Izumi Chuo Store ● Introduction of a staggered working-hours system for childcare in response to the revised Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members ● Implementation of a questionnaire on respect for human rights for Joshin Service partner companies ● Report on the acquisition of "ZEB" certification at the existing Joshin Konosu Store ● Report on being chosen for the CDP A List for the third consecutive year
Sustainability Committee	Chairperson: Representative Director, President and Executive Officer Members: Comprised of executive directors, executive officers, Audit and Supervisory Committee members, and heads of departments	10	● Approach to the integrated report's various ESG pages ● Activity report on the third and fourth Diversity Councils ● Report on the updated version of the Carbon Neutrality Transition Plan ● Progress of the revision of the Joshin Group Declaration on Actions and the Joshin Group Code of Conduct ● Report on the implementation of a supply chain questionnaire ● Report on the Fan Meeting ● Information on environmental management training and results ● New directions for addressing environmental challenges through the Climate Change Project ● Introduction of a telecommuting program
Risk Management Committee	Chairperson: Representative Director, President and Executive Officer Members: Comprised of executive directors, executive officers, directors who are members of the Audit and Supervisory Committee, labor union leaders, and heads of departments (including officers at subsidiary companies)	4	● Formulation of business continuity management system plans each fiscal year ● Formulation of a CSR Action Plan and quarterly progress management (incl. ESG) ● Selection of risk management items (incl. ESG) based on risk identification and assessment each fiscal year ● Confirmation of status of measures taken at business sites built under the former earthquake-resistance standards and review of hazard map information