

CSR activities

At PARCO, we define CSR initiatives as activities carried out through "business activities = core business. PARCO is proactive in tackling ESG (Environment, Social, and Governance) issues and is promoting initiatives that will lead to the sustainable improvement of the PARCO Group.

Furthermore, at the United Nations Sustainable Development Summit of September 2015, the 2030 Agenda for Sustainable Development was adopted and the 17 Sustainable Development Goals and 169 targets were proclaimed. Through our CSR initiatives, the PARCO Group aims to contribute to the resolution of various social issues.



Society



"Customers," "store tenants," "employees," "shareholders and investors," "local communities and society," "land owners and leaseholders," and "suppliers" are all stakeholders in our business. Our goal is to gain the sympathy, understanding and support of these seven groups of stakeholders, so that we can enhance our corporate value.

> Customers

PARCO databases the range of feedback received from customers, and uses this input to improve services offered.

> Store tenants

Since PARCO shares common values with store tenants, we have a partnership in which we all can grow and develop.

> Members of the local community and society at large



PARCO has taken a wide range of measures to ensure both the peace of mind and safety of the people who visit our stores.

> Shareholders and Investors



PARCO is working to speedily supply information, based on transparency, fairness, and continuity, to its shareholders and investors.

> Employees





PARCO views employees not as "human resources" but as "human capital," and considers each and every employee as an indispensable asset and a platform for future growth.

The PARCO Group recognizes global environmental issues as an important theme in its business activities in shopping centers and related fields. Through the promotion of environmental preservation activities, the Group seeks to leave a sustainable society for future generations. To this end, the Group aims to reduce the environmental impact of the commercial spaces it creates. These efforts include cooperating with tenants and other transaction partners, and making sure that customers and local communities are informed of the Groups activities and accept them.

<p>> Fundamental policy</p> <p>The PARCO Group recognizes that protection of the environment is an important theme in its business, and seeks to contribute to a sustainable society for future generations through the promotion of initiatives to reduce its environmental footprint.</p>	<p>> Specific environmental initiatives </p> <p>As part of its commitment to the environment, the PARCO Group has introduced energy- and resource-saving initiatives and is taking steps to expand environmentally friendly commercial facilities. The group participates in national environmental campaigns and is certified by a number of local eco schemes.</p>
<p>> Enviromental data </p> <p>The PARCO Group discloses data on energy and resource inputs including electricity usage, gas usage, and total water usage as well as outputs such as CO2 emission levels, recycling rate, and waste water volume.</p>	

We at PARCO are to constantly work to strengthen our system of corporate governance, recognizing that in order to enhance corporate value, we must: protect the rights and interests of our shareholders, build smooth relationships with stakeholders other than shareholders, preserve transparency in management, and establish an effective management oversight structure.

<p>> Corporate Governance</p> <p>We have established a corporate governance system that assures transparency and facilitating decision making and execution.</p>	<p>> Compliance and Risk Management </p> <p>We establish a system to assure the suitability of our company, and promote of compliance and risk management initiatives.</p>
<p>> Supporting local communities in the event of a disaster </p> <p>We carry out proactive, mutual assistance for local areas and neighboring businesses in the event of a disaster.</p>	

Society

Customers

At PARCO, we are undertaking initiatives to gain the trust and satisfaction of all stakeholders, including store tenants, customers, and local communities and society.

Service improvement, reflecting our customers' wishes

Our salespeople and our staff who work at our information desks in our stores pass on to us questions and comments they receive from customers. This information, together with customer complaints received via phone calls, letters or e-mail are all entered into a database. All this data is shared throughout our company and forms the basis for service improvement.

Improvements to restrooms, powder rooms and nursing rooms

Reflecting our customers' opinions, we are adding new nursing rooms and restrooms, as well as upgrading existing facilities.

At PARCO_ya, we presented a relaxing, comfortable space using cypress wood, with the theme of “natural comfort.”



PARCO_ya 6th floor customer restroom



PARCO_ya 3rd floor baby nursing room

Stroller lending

We have strollers within our stores, to lend to customers who require them.

First-aid room

We have a first-aid room at our stores to assist any customers who might require medical assistance.

Smoking room

We are establishing new smoking areas for customers.

In addition to gender-neutral smoking areas, we set up women's only smoking areas in the women's restrooms at Fukuoka PARCO New Building and Sendai PARCO2.



Women's only smoking area at Sendai PARCO2

Providing Web-based Trends Communication

Backed by its store network, PARCO is aggressively leveraging advanced information and communications technology (ICT) to create new ways to enjoy commercial facilities. To make PARCO store information available faster and more appealing, shops within PARCO make use of the PARCO Shop Blog, with roughly 3,000 such tenants involved in trends communication that encourages store visits.

Furthermore, we operate a service, called “Kaeru PARCO,” that enables in-store goods found on the PARCO Shop Blog to be reserved or ordered for delivery online, and have released a smartphone application, POCKET PARCO.

In these ways, we are creating an environment that allows customers to enjoy a “24-hour PARCO” via the Web.



Sendai PARCO2

Use of digital signage

We are aiming to make our information paperless by using digital signage. The signage provides rich presentation reflecting the time of day and the season while swiftly communicating instore sale information and so forth.



Sendai PARCO2

A sign showing a floor map of the 4th floor and whole building. Background visuals change during the day through morning, afternoon, and evening, while also presenting a seasonal theme.



Sendai PARCO2

Restaurant floor signage links with blogs to present the latest information.

Society

Store tenants

Our store activities are based on a model of equal partnership. As part of this, we maintain close communication with tenant staff to address problems and develop new solutions and expand opportunities for trainings and other programs.

An equal partnership

PARCO's equal partnership approach to our store tenants extends to landowners as well. We believe that a fair and equal relationship alongside a mutual sharing of values contributes to the growth and development of both PARCO and our partners.

PARCO Association activities

At PARCO, we base our store activities on "equal partnership" with the approximately 800 companies and 2,050 tenants within our stores, so that everyone can grow together. The PARCO Association, formed from the tenants, promotes the maintenance and development of this relationship. PARCO and the PARCO Association members work together to make a contribution to local communities and achieve mutual prosperity, in the spirit of this equal partnership.



Tenant staff support system

All the staff standing on the sales floors at PARCO value our customers. We offer staff various training programs to better equip them to make decisions and act on their own. Staff receive customer service training designed to sharpen their customer service abilities, enabling them to pick up on customers' needs and offer them proposals for an enjoyable shopping experience. In addition, we have also introduced social media training, where they learn how to use social media to build the shop's fan base. For shop managers who are struggling with how to develop and guide staff, we have launched human resource retention training. Our education and training programs are based on real-world situations to enable staff to enjoy working on our sales floors with a sense of fulfillment.

In addition, each store is actively involved in providing opportunities for the development of staff skills through programs that include the "Shine-as-a-team ★ customer-service role-play contest" designed to improve the service-delivery ability of an entire service team.



Tsudanuma PARCO social media training



Ikebukuro PARCO role-playing contest winners

Improvements to work environments

PARCO is actively promoting improvements to work environments. Initiatives including renovations of break rooms and the addition of convenience stores and private phone booths will allow shop staff to focus on their work with customers.



Sendai PARCO2 employee break room and dedicated phone booths



Nagoya PARCO employee break room and staff-only convenience store

Measures to leverage ICT to improve customer relations and reduce operational workloads

PARCO and tenant shops use the PARCO SC Groupware communication tool to reduce the burden of management operations. We have also introduced an online video to provide orientation training for all shop staff on the sales floors. This enables staff to study at any time, so they can use short periods of free time for training even when they are often too busy to attend formal sessions. SUTEKI LABO, the dedicated website for PARCO shop staff, is filled with information that can typically only be learned by taking part in group training seminars; staff can use their PCs or smartphones to watch how-to videos on customer service and other relevant topics.

Furthermore, tenant staff members receive daily “shop service rating” (five-star evaluations and comments) collected from registered customers through the PARCO original smartphone app “POCKET PARCO.” Words of praise from customers as well as things customers would like to see and other messages are also shared with staff, providing motivation in day-to-day activities and sparking sales floor improvement.



Online videos for orientation training



Fiscal 2017 “POCKET PARCO Customer Service Evaluation Service” Results

Credo

We established a code of conduct for shop staff as a credo serving as the motivation behind all activities by PARCO and tenants for customers. While pursuing concrete activities based on this credo, we aim for qualitative improvement in interactions with customers across PARCO as a whole.

"PARCO shop staff and compliance hotline"

In addition to the reporting system for employees, this new help-desk for tenant employees to use to discuss or report rule or compliance violations by our company was set up in 2010. This help-desk is for all tenant employees who work in shops in PARCO. The aims of the help-desk are to eliminate violations of workplace rules, and by enabling tenant employees to work with peace of mind day by day, it can create a workplace that is easier to work in.

Society

Local communities

PARCO is the Italian word for “park,” and much like a park itself, we provide a place where people come together to share time and space, and where they can relax and have fun. We are working to enhance the appeal of local communities and contribute to realizing a society that offers urban consumers fulfillment by devising creative business activities with a grasp of local needs and trends.

Events and promotions held in collaboration with local communities



Collaborations spanning a range of partnerships are crucial to develop the appeal of local communities. PARCO is involved in close cooperative relationships with local authorities across all PARCO stores.



Initiatives for peace of mind and safety



Since PARCO stores are places where members of local communities gather, we have taken a wide range of measures to ensure both the peace of mind and safety of the people who visit our stores.

1. Initiatives to achieve “Safety in day-to-day living”

The restaurants and food stores inside PARCO conform to rigorous standards for health and safety management. Furthermore, PARCO conducts its own periodic health and safety inspections, checking the sanitary conditions in kitchens and the storage conditions for food products and ingredients.

Checks are also made as needed to ensure that restaurant menus display appropriate information, and that raw ingredients, potential allergens, and expiration dates are all properly displayed.



Staff undergo kitchen hygiene inspection by a third-party organization.

2. Initiatives to achieve “Safety in the shop”

There are many shop windows in a PARCO store. Each of these glass panes is coated with antishattering film to protect people in the unlikely event of window breakage. The large display shelves have mechanisms to prevent the shelves from collapsing.

We also have staff who are specially trained in disaster prevention roles, and they practice each day.

We actively participate in fire-fighting technology training tournaments held by local fire stations, and have achieved some good results. We also offer training to the shop staff on how to use fire extinguishers so that they can take action in initial fire fighting.

We have set up an information system that links each shop to our Disaster Prevention Center so that the shops can rapidly respond to emergencies.

Furthermore, we are actively involved in crime prevention activities, holding regular training sessions designed to share examples of problematic behavior and other aspects of crime prevention.



Staff undergo firefighting training.



Staff undergo regular training sessions for crime prevention activities.

3. Initiatives to achieve “Life-protecting safety”

To prepare for the possibility that a shopper may suffer an injury or suddenly take ill, all PARCO security staff and maintenance personnel undergo paramedic training with the local fire station staff. All shops have an AED (Automated External Defibrillator) and the staff is trained in their use.



Staff undergo firefighting training.

Society

IR

Our basic policy regarding IR activities

PARCO is working to speedily supply information, based on transparency, fairness, and continuity, to its shareholders and investors. We are working to supply information in compliance with the timely disclosure rules and regulations of both the Financial Instruments and Exchange Law and the Tokyo Stock Exchange.

Our website has a substantial corporate information and IR section. We issue press releases to the media. We also work to disclose information that is easy for shareholders and investors understand and in an environment that is easy for them to access. We do this through a wide range of media, including explanatory meetings held in Japan and overseas, and through various printed publications. Furthermore, we issue information via RSS, Facebook, and Twitter to make it easier for people to receive.

Semiannual financial results briefing

Financial results briefings and other explanatory meetings for analysts are held every six months



Explanatory meetings for individual investors within Japan

To help individual investors deepen their understanding of PARCO, we hold explanatory meetings for them from time to time.



[> PARCO Investor Relations](#)

Society

Employees

PARCO is supported by people, namely our employees. Our people make full use of their knowledge and spirit to ensure that they continue to provide customers with innovative solutions. This, in turn, earns PARCO the support of both our tenants and their customers. We understand that crafting an environment where every employee can contribute to the fullest is important to all stakeholders, and that is why PARCO is advancing internal systems to promote diversity and cultivate an open corporate culture.

[Promotion of Diversity](#)

[Employee Work/Life Balance Support System](#)

[Human Resources Development Initiatives](#)

[Promoting dynamic participation of women](#)

[Reference charts](#)

Promotion of Diversity



PARCO promotes diversity management because we believe that hiring and cultivating motivated employees with diverse abilities and characteristics creates new value, contributing to the improvement, development and growth of our business.

The Diversity Committee has been established comprising members from across the PARCO Group to ensure our hiring practices are inclusive and that we maximize the diverse abilities and characteristics our employees. The Committee contributes to business activity that incorporates diversity considerations, cultivating dynamic group-wide internal communication and awareness-raising activities, and creating an inclusive company culture through networking with external groups and organizations.

The Diversity Committee is discovering new ways of thinking about diversity management by carrying out internal research, introducing new systems by conducting trials of flexible working styles for a diverse staff, and interacting with external organizations, as well as taking action that will lead to a diverse range of working styles.

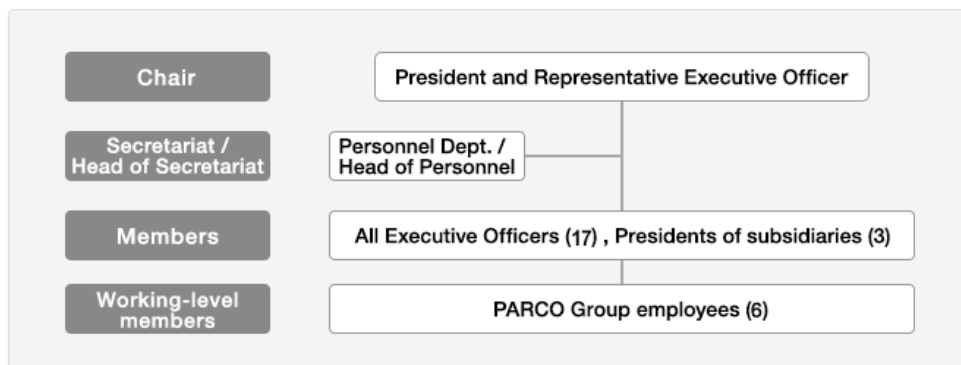
PARCO Group's vision for diversity management

Fostering diversity in our people, work styles, and approach to become the business group of choice for all our stakeholders

【Key message】

Difference is value.

Diversity Committee organizational structure



The establishment of the Diversity Committee

In 2005 we launched PARCO Women's Network, a company-wide project that aimed to promote the active participation of women. Since 2011 it has developed into the Diversity Project, broadening its scope beyond gender to cover all diversity and inclusion issues and has engaged in a range of activities to raise awareness and build an inclusive company culture. The Diversity Committee was established in 2014 to respond swiftly and flexibly to changes in the business environment, such as globalization and market competition, and to put a greater emphasis on the promotion of diversity management, in line with PARCO's management strategy. The Committee is chaired by the president of PARCO and comprises PARCO executive officers and the presidents of each group company, with mid-level PARCO Group employees participating at the working level. The Committee carries out diversity activities with both top-down and bottom-up approaches, and promotes initiatives to further unify the PARCO Group.

Employee Work/Life Balance Support System



PARCO is also promoting the dynamic participation of women in its business, supporting employees' work/life balance by reviewing work styles and implementing measures to ensure both work and childcare/nursing commitments can be maintained.

Promoting a review of working styles

Flexi-time system

As part of improving employee work-life balances, the flexi-time system, which enables more effective and flexible working, was expanded across the company in May 2016. The system makes it possible to adjust daily schedules to fit both work and personal plans, and this greater individual input into working hours is proving successful in leading to higher productivity. This has also resulted in employees becoming more conscious of working time and making their work more effective. The flexi-time system had already been introduced at head office, and following a trial period at certain PARCO stores, it has now been introduced companywide.

No-overtime day

We implement no-overtime days to encourage focused work.

Mobile work

We are promoting mobile work for employees whose duties involve a lot of time away from the office, allowing them to more effectively utilize working hours by working while travelling and the like, thus increasing productivity per hour worked. In 2015, we ran a pilot system involving employees with child-care or nursing-care responsibilities and other constraints on their work hours. Going forward, testing will be carried out to create a system around this.



Briefing on systems utilized for telecommuting

Encourage holiday time

We are working on creating an environment for 'focused work and relaxing time off'. Employees need to rest and 'recharge' in order to perform at their best and be creative and successful in their work. PARCO actively encourages employees to take holidays by holding an annual 'holiday promotion day' and recommending that each division does the same.

Seminars for management

We are holding awareness-raising seminars for managers to encourage the participation and growth of a diverse workforce in a way that uses working time effectively and maintains a work-life balance. In September 2016, we held a talk by an external lecturer on the topic of 'iku-bosses' (bosses, managers and supervisors who support their teams' careers and life outside work, ensuring a satisfying work-life balance while still meeting high targets and achieving success for their organizations).

Support for a childcare/nursing care and work balance

PARCO has made changes to its Employee Work/Life Balance Support System in accordance with January 2017 amendments to Japan's Child Care and Family Care Leave Law, and has expanded some systems beyond what is stipulated by law.



Systems beyond those stipulated by law

*Systems not outlined here also fulfill legal requirements

1) Systems for use during pregnancy

Mitigation of working hours during pregnancy	Working time can be reduced by up to an hour per day, paid.
Revival of expired annual paid leave days	Expired annual paid leave days from the previous year can be revived and taken.

2) Systems for use during childbirth

Spouse maternity leave	Three days of paid leave can be taken when a spouse enters childbirth (including common law spouses).
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3) Systems for use during childcare/nursing care

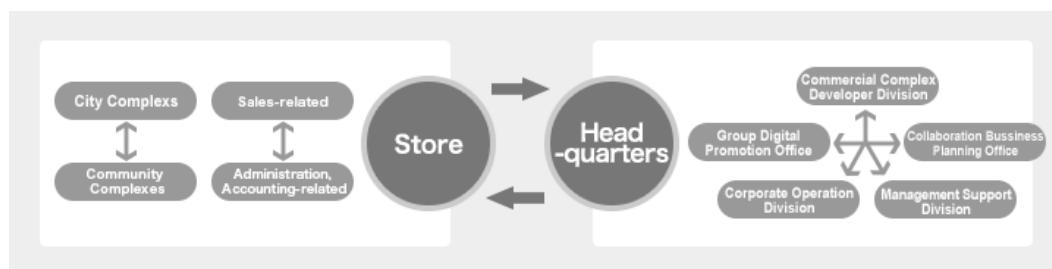
Childcare leave	Childcare	Leave can be taken until the April 10 following the child's first birthday (permanent employees). This leave can also be extended until the child is 18 months old in certain cases, such as when the child cannot get a place at a daycare facility.
Nursing care leave	Nursing care	Up to a year's leave can be taken per applicable family member, which can be divided into as many as three separate spells.
System for requesting a specific department upon return to work	Childcare Nursing care	Employees can request a specific department to return to after taking childcare or nursing care leave. In principle, they cannot be transferred from this department for two years after returning.
Childcare time off (paid)	Childcare	Working hours can be reduced by up to an hour per day paid, applicable until the child turns one-year-old.
Reduced working hours for childcare	Childcare	Working hours can be reduced by up to two hours per day, applicable until the child enters junior high school.
Reduced working hours for nursing care	Nursing care	Working hours can be reduced by up to two hours per day while nursing care is required, without limits to length or number of spells required.
System for selecting reduced hours or holidays	Childcare Nursing care	Up to two hours per day designated for reduced working hours can be converted into holidays instead. It is also possible to take a combination of reduced hours and holidays.
System for selecting workplace location	Childcare Nursing care	Employees with children not yet in high school or with a family member needing nursing care can select the region within which their workplace is located in order to avoid moving.
System for re-employment of former employees	Childcare Nursing care	Employees who resign due to childcare or nursing care responsibilities who apply and have their application accepted can take advantage of a system that allows their rehiring within three years of leaving.

We have set the period between now and June 2020 as the 4th phase of our targets to promote utilization of systems supporting work and childcare (nursing care) balance, provision of employment environment and improvement in working styles. To achieve those targets, we have enacted measures that promote reviewing working styles and awareness of systems supporting work and childcare (nursing care) balance.

[Our "General employer action plan" based on The Law for Measures to Support the Development of the Next Generation](#)

Human Resources Development Initiatives

We are engaged in implementing educational programs geared for different career paths and areas, with the aim of equipping each one of our staff with stronger skills and higher motivation. We are also implementing an educational rotating system that periodically rotates staff between various departments, business areas, and regions, allowing them to widen their horizons and to strengthen their adaptability. Through a variety of workshops, we are working to introduce a competency and ability based career progress system.



Administration Division

In addition to the rotating system, PARCO is working hard to support our employees' capacity for development through providing a wide range of training and learning opportunities.

Main training implementation

1) New employees

Induction training (e-learning, training trips), pre-assignment training (approximately two months), follow-up training

2) Young mid-level employees

Business skills training, tutor training (for new employee training), next-generation leadership training, industry placement training, business school support, support for attending external public seminars

3) Other

Department-specific skills training, female leadership training, management training, compliance training, market inspection training, e-learning/distance learning, financial reward for obtaining qualifications/paid examination fees

Supporting Diverse Work Styles



We believe it is important to provide an environment where individual employees feel motivated to make use of their talents. We are therefore working to create systems and an environment to secure diversity and to promote the creation of a corporate culture.

Supporting Workstyles That Do Not Require a Specific Workplace

We are promoting communication and faster and more intense operations through the utilization and expansion of ICT.

- Renew internal Groupware with the introduction of cloud services, etc.
- Provide all employees with mobile PCs and smartphones
- Promote internal exchanges and flexible workstyles (expand web meetings, partially introduce free addresses, establish free working spaces and concentration areas)



Free working spaces

Second Job Program

in February 2019 we introduced the side job program as part of our new workstyle. (As of May 31, 2019, four people are using the program).

Basic Policy on the Program

- Second jobs and other experiences outside the Company provide opportunities for employees to grow, and employee growth leads to Company growth
- The Company has employees with diverse talents, and second jobs can provide opportunities for employees to utilize their talents

Objectives and Expectations of the Program

- Promote growth and autonomy of employees
- Revitalize internal activity (promote innovation)
- Retain and acquire diverse human resources
- Opportunities for employees to utilize diverse talents



• Experiences outside the Company will

- Stimulate competitive awareness and promote innovation - Expand employee perspectives and human networks, leading to transformation of Company culture

• Through the second job program, the Company will –

Expand options for self-realization - Positively impact human resource recruitment

Promoting dynamic participation of women



The PARCO Group views efforts to promote greater participation by women as vital, taking steps to embed career seminars, management training sessions and work-life management internally throughout PARCO; we also pursue measures to comply with Japan's Act of Promotion of Women's Participation and Advancement in the Workplace (Advancement of Women Act).

PARCO promote participation by women through a variety of initiatives. We recognize that encouraging shorter working hours by promoting the use of paid leave and improving the percentage of women in managerial positions will go far in helping to resolve issues pertaining to female participation. Together with enacting measures to encourage taking leave, we formulated an action plan in response to the Advancement of Women Act that includes cultivating female

managerial candidates, providing opportunities for boosting the career consciousness of young female employees, and creating a workplace more conducive for employees with time constraints.

With respect to the annual average number of days of paid leave taken, we are aiming for 10 days by fiscal 2020, compared to five days in fiscal 2014. In parallel, we are striving to have women make up 20% or more of managers in fiscal 2020, versus 11% as of March 2015. [Action plan based on the Advancement of Women Act](#)

Participation in cross-industry consortiums PARCO takes active part in and shares information from cross-industry consortiums and other projects focused on work and female career education and work-life balance.



Lecture for women on successfully balancing work and childrearing

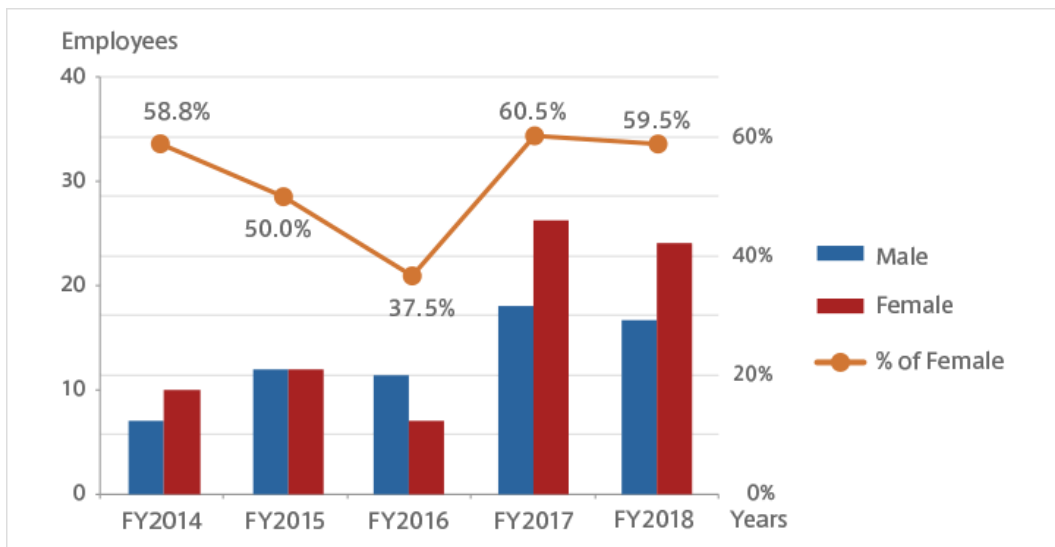
PARCO's Basic Principles of Compliance stipulates that all PARCO executives and employees shall conduct fair and highly transparent business activities in compliance with applicable laws in Japan and overseas, social norms, and internal company regulations.

PARCO conducts compliance training on topics such as the Personal Information Protection Act and on the risks associated with social media and other online activity. All employees are also required to participate in training designed to prevent harassment by increasing awareness.

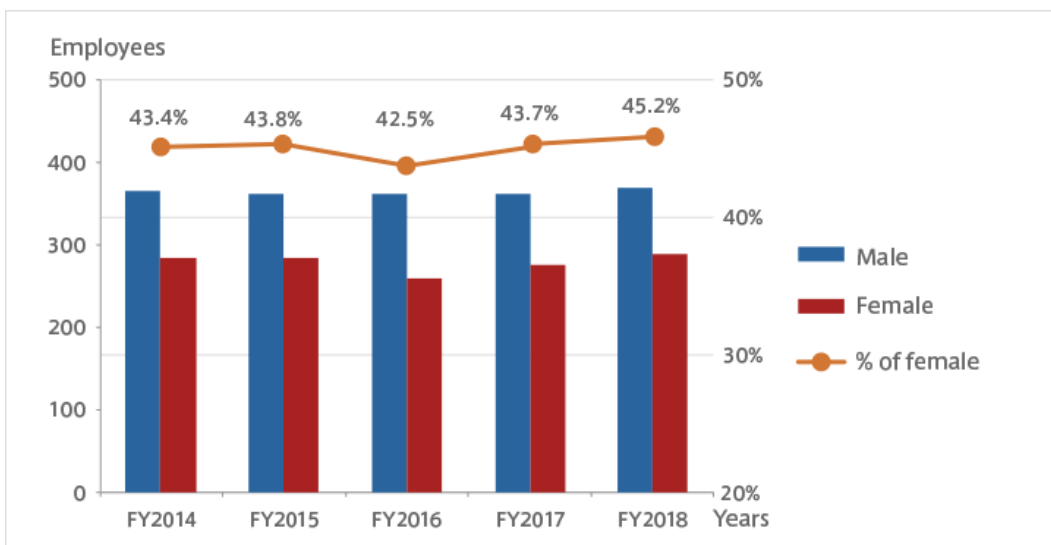
As part of PARCO's continuous efforts to improve as a company, we have established a number of internal reporting systems to guard against corruption and encourage employees to report violations of laws and regulations so that these acts may be identified and corrected early. [Basic Principles of Compliance](#)

Reference charts

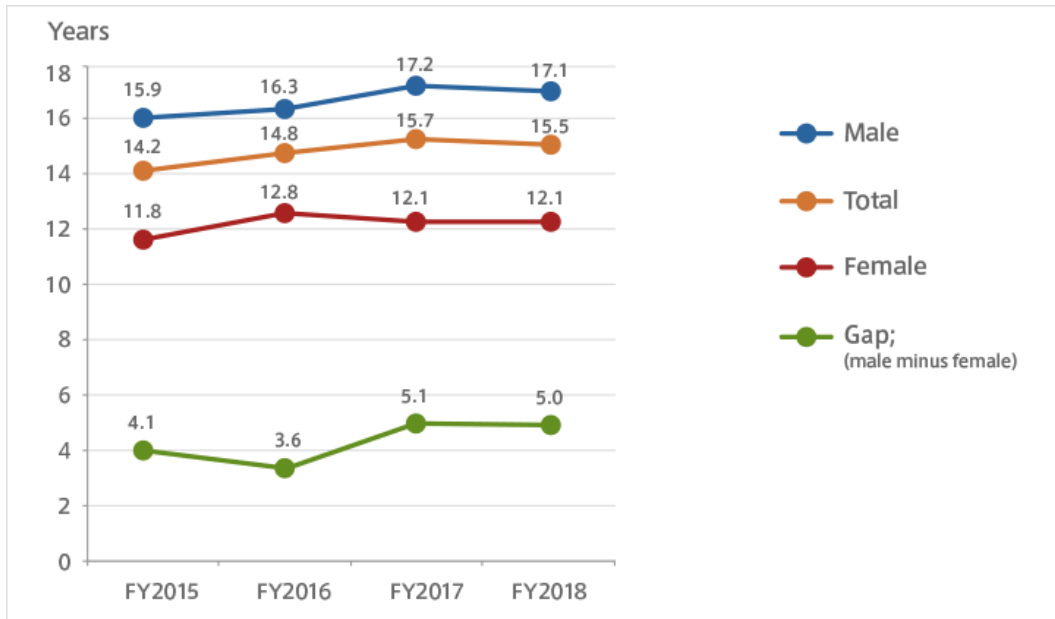
Trend in employee numbers, ratio of men vs women



Employee numbers by gender/trend in ratio of female employees (total of both full and contract employees)



Trends in length of employment (at end of each year)



Trend in ratio of women in management positions

