Human kindness

Companywide

Transforming work motivation Work motivation reform

We will drive forward with our challenges based on diverse values, enabling our employees to feel motivated in their work and creating happiness in the community.

Katsuyuki Imada

Member of the Board Senior Executive Managing Officer Corporate Strategy and Planning Division Director, – Human Resources, – New Business Division, and Executive Assistant to Deputy CSO (CSR Promotion)



The Talent Sought by Lawson

The kind of talent that we look for at Lawson is people who can think and act on their own initiative. With more than 18,000 stores in Japan and overseas, each store has different products to suit different customer needs, and many things happen every day. For the headquarters to try to issue instructions for all of these details would be impractical and too slow. That is why we need people who can understand our customers, our stores, and shop floors—people who can think and act on their own initiative. Our people need to have the awareness to actively challenge themselves to seek better results, rather than repeating the same thing day after day.

Just as our Three Promises advocate "Human kindness" and "Environmental (Machi) friendliness," the guiding principle of our business is to work together with our store owners and crew, and to live in harmony with the diverse people of the world.

Strategies under Challenge 2025

The main objective of the Work Motivation Reform Project in Challenge 2025 is to stimulate the growth of our Group by fostering personal development and a sense of achievement among our employees, empowering them to take initiative in addressing challenges. To support this, the project aims to instill a sense of trust and solidarity among the Group's diverse human resources.

Two measures to incentivize employees to embrace challenges In addition to business improvements such as adopting online communication tools and further advancing digital transformation in line with needs in the field, we have launched two major measures to incentivize employees to take up challenges. The first is a revision to our evaluation system. In a general system that evaluates employees based simply on whether or not they have achieved their goals, it is difficult to create a culture that encourages employees to strive for challenging goals. We have therefore established a new "Challenge Goal" category to evaluate employees for proposing their own goals and targeting these as challenges.

The second is the "100 Million Yen Challenge". We solicited ideas for new challenges, allocating a budget of 100 million yen to be used for the selected project. We received 203 applications, including some from overseas. There were sales challenges aimed at increasing sales, but among the

LAWSON INTEGRATED REPORT 2021

applications were ideas for initiatives that truly embodied a sense of coexistence with society and respect for diverse values. For example, there were proposals to create learning opportunities for children who have been hospitalized for a long time, or to decorate product packages with pictures drawn by people with disabilities.

This project is itself being carried out by inviting employees from all over the country to participate voluntarily. Each employee formulates specific plans aimed at revitalizing communication and improving work efficiency. One of the outcomes of this project is the Lawson Lively Salon, a cross-departmental social event. This is an online salon where five to six people from various departments, positions and age groups, can ask each other questions and share their views. This initiative provides an opportunity for employees from all over the country who are not normally in contact with each other to inspire each other. It leads to new challenges, while at the same time fostering an awareness of diversity and coexistence.

In traditional chain store theory, uniformity and standardization have been considered good. At Lawson, however, we have a culture that values diversity. This is evidenced by the variety of stores and brands we have developed, including NATURAL LAWSON and LAWSON STORE 100. By encouraging all our employees to "think and act on their own initiative," we drive the creation of synergies. In this way we can move forward to realize our Group philosophy, "Creating Happiness and Harmony in Our Communities."

Strategy for Creating Happiness through the Three Promises

Companywide

Diversity and human resource development

Promotion of diversity and realization of a work/life balance

Lawson promotes diversity with the aim of assembling employees with widely varied values who join together and perform to their full potential to strengthen its franchise chain further. We have constructed systems for promoting diversity and inclusion under the direction of the President, established a special subsidiary to promote employment of people with disabilities, developed childcare facilities in our workplaces, and opened offices for conducting labor management consultations with a focus on improving operating efficiency and work environments.

In recruiting activities, we disregard gender, nationality, age, school, and origin, focusing instead on individual suitability, motivation, and ability. In our regular recruitment, since 2005 we have targeted a 50-50 ratio of male and female recruits, and from 2008 we have made a continued effort to recruit non-Japanese employees.

In our desire to retain our female employees over the long term, we have introduced such programs as career development training, childcare leave training, and elective leadership training to support young women in their career and life planning. By fiscal 2030, we aim to achieve a 30% ratio of female managers, and we are also taking step to develop female management candidates in our Next-Generation Development Committee, which aims to develop the next generation of leaders for senior management roles from among our general managers.

In 2014, Lawson introduced the short-term childcare leave system, in hopes of inspiring active male participation in child-rearing and housework leading to efficient, highly productive work styles among both men and women. The ratio of fathers taking childcare leave reached 94% in fiscal 2020, indicating that this practice is taking root in Lawson's corporate culture.

To promote active roles for diverse human resources, we introduced a flexible full-time (limited work location) employee system designed for compatibility with obligations such as

> 2019 2020 Ο

LAWSON 20

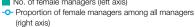
(Fiscal year)

childcare, long-term care and cancer treatment; established a remote work system for all employees; and introduced an active full-time senior employee system, raising our employee retirement age to 65 effective March 2021. These measures will help transform Lawson into a company whose employees can continue working with satisfaction.

In other initiatives, the Sweeping Transformation Executive Committee is examining or implementing various initiatives to enable employees to continue working and growing energetically over the long term. These include setting up a rewarding work reformation project, establishing Challenge Goals, and driving digital transformation, as well as vertical, horizontal, and diagonal communication strategies.

As a result of these efforts, Lawson was again selected as a Nadeshiko Brand in fiscal 2020 (sixth time in aggregate). Nadeshiko Brands are listed companies selected by the Ministry of Enterprise, Trade and Industry and the Tokyo Stock Exchange for outstanding achievement in encouraging women's success in the workplace.

Proportion of female managers among all managers No. of female managers (left axis)





Diversity Promotion System



Operating under the President's direction, the Human Resources Division takes responsibility for system design, operations and appointments, while the Marketing Strategy Division seeks to create new value from ideas generated by female employees.

Proportion of eligible male employees taking childcare leave

No. of male leave takers (left axis) -O- Proportion of eligible male employees taking childcare leave (right axis) (Persons) (%) 160 120 75 80 50

2015 2016 2017 2018

INTEGRATED REPORT 2021

40

0 2014



employees (right axis)



-O- Proportion of working mothers among female



• Companywide

Occupational safety and health and productivity management

Human Resource Development

Guided by our Group philosophy, we operate a developmental personnel system aimed at encouraging every employee to think and act on their own initiative. As part of this, we use two evaluation systems: the Employee Behavior and Skill Level Evaluation, which evaluates the employee behaviors (processes) that produce positive results; and the Performance Evaluation, which assesses the results of the behavior.

We also support individual career development and growth through career development interviews, and have adopted a free agent (FA) system designed to enable employees to take on ambitious goals toward their career development.

We are building a system for motivating employees and improving the overall performance of Lawson. We aim to drive business improvements and innovation by encouraging staff to avoid allowing their thinking to become constrained by the boundaries of their own role, instead adopting a company-wide perspective. Key initiatives in this area are the Lawson Challenge Awards, an internal award system for employees who voluntarily take on challenges and bring about improvements in their work and business performance, and the 100 Million Yen Challenge, a plan submission program.



The President joins participants in a selective training session for female employees

Occupational safety and hygiene

We have established a labor-management consultation forum that emphasizes thorough discussions aimed at improving employees' operational efficiency and work environment. We are continuing our efforts to create a comfortable workplace, working to improve the work environment through employee participation in areas such as reforms to our organizational culture and the use of systems. In each area, both labor and management conduct self-checks of the work environment before holding discussions to identify problems at an early stage and resolve them quickly.

We ensure that the 5S Methodology of "Sort, Set, Shine, Standardize, and Sustain" is fully implemented by our franchise stores in accordance with procedures clearly specified in our operation manuals. We also hold safety management meetings Companywide to raise awareness concerning driving safety among store supervisors and others whose jobs involve driving. When a serious work-related accident occurs, we investigate and analyze the cause and share our findings internally with the aim of preventing recurrence.

Also, in the area of work environment improvement, we focus on such mental health monitoring activities as presentation of improvement points and stress check results for the various departments.

Health and productivity management

As a company that contributes to customers' overall health, Lawson places paramount importance on the health of our employees as well as the owners and crews of franchise stores. We announced a health declaration to this end in 2013. With the President serving as Chief Sustainability Officer (CSO) and Chairman of the Health Hub Promotion Committee, we have recently established a system to promote health management

LAWSON **33**

and lead efforts to reinforce and direct health initiatives and health management for the Company and its customers. Since September 2018, we have been working to strengthen Groupwide health promotion measures in cooperation with the Lawson Group Health and Wellness Promotion Center, a body operating under the direct supervision of the President, the Human Resources Division, the labor union, and the Lawson Health Insurance Society.

Promoting the health of its franchise owners is another important concern for Lawson. The various health preservation programs provided through the Lawson Owner Welfare Association (see page 40) include a subsidy plan for medical examinations and operation of a health support desk.

As a result of these efforts, Lawson was selected as a "Health and Productivity Management Brand 2021," its fourth time to receive this recognition. In addition, the Company was selected as one of the "Health and Productivity Management Outstanding Organizations 2021," an award that honors corporations for excellence in health management, based on our efforts to address local health issues.



Conducting interviews with industrial physicians and public health nurses to support employee health

Companywide

Social Initiatives

Dealing with the impact of the COVID-19 pandemic

All of us at Lawson are working to protect everyone in our stores from infection by the COVID-19. We are also conducting various activities to support people who are facing difficulties day after day.

Initiatives for medical professionals

To support medical professionals working on the front lines of medicine, on certain days between April and June 2020 at around 300 Hospital LAWSON stores in 47 prefectures throughout Japan, we offered a half-price sale on all Uchi Café SWEETS original desserts and small size coffee from the MACHI café in-store freshly brewed coffee service. In May, we gathered messages in support of medical professionals through Lawsons' official social media accounts and incorporated them into a poster thanking everyone working at hospitals, which was then displayed at our stores.

In other efforts, in April 2021 we started a program of donating original processed foods that had passed their delivery deadlines at our logistics centers. In May 2021, we started a donation drive linked to sales volumes of MACHI café, donating 4,646,827 yen to the Japanese Nursing Association. We have received messages of gratitude from medical professionals for this support.



Donation presentation ceremony (Japanese Nursing Association)

Vaccination booking consultation services

In May 2021, we provided consultations on COVID-19 vaccine bookings at some of our Care-focused LAWSON stores (stores with nursing care consultation counters and salon services) as an initiative to dispel anxiety among local residents.

Support for producers and use of locally produced ingredients

We are supporting producers by developing products that use ingredients whose consumption is in decline. For example,

at Lawson Stores in the Chugoku and Shikoku area (1,477 stores as of end of August, 2020, excluding some areas of Shimonoseki City, Yamaguchi Prefecture) we launched Mixed Rice with Red Sea Bream (Kinshari onigiri rice balls) using farmed red sea bream from Ehime Prefecture.



Mixed Rice with Red Sea Bream (Kinshari onigiri rice balls)

Delivering the taste of a specialty store, expanding collaboration with restaurants

As people stay at home and adopt new lifestyles, we are collaborating with 35 famous restaurants throughout Japan to develop products under their supervision, such as a Beef Stew Rice supervised by Yoshikami and Hayashi Rice Gratin supervised by RESTAURANT TAIMEIKEN. Using our nationwide

network of approximately 14,500 stores as a new sales channel, we aim to bring cheer to local neighborhoods through the great taste of specialty stores.



Beef Stew Rice supervised by Yoshikami

Delivery service

In August 2019, Lawson became the first convenience store operator in Japan to introduced Uber Eats.^{*1} Responding to a surge in demand for deliveries associated with the spread of COVID-19, we introduced foodpanda^{*2} in November 2020 and Wolt^{*3} at NATURAL LAWSON in April 2021, bringing delivery services by the three providers in total to 1,893 stores in 30 prefectures. In February 2021, we started the first pharmaceutical delivery service in Japan with Uber Eats, now operating at 25 stores (as of July 1, 2021).

Items handled: *1 Approximately 370 items *2 Approximately 400 items *3 Approximately 400 items



Uber Eats

foodpanda

SMARI box

SMARI box is a socially distanced package shipping service that permits customers to return rental or e-commerce products without conducting shipping or acceptance procedures at the store counter. As of July 2021, the service was introduced at approximately 3,000 stores in the Kanto, Kansai, and Chukyo areas. Users of the Japan Post's e-shipping service that enables sellers

using flea market apps to ship products can also deposit items at stores with dedicated SMARI boxes, reducing the time spent waiting at the store counter to conduct sending procedures.

Wolt



Community Happiness donation activities

The Lawson Group conducts social contribution activities to realize the concept of "Aiming to create a better future for children." As part of these, we established the Lawson Group's "Happiness in communities" Fund-raising Campaign, which supports donations and activities for three organizations. We also pursue activities such as measures to prevent COVID-19 infections and accept donations for emergencies such as earthquake and torrential rain disasters as needed.

A total of some 10 billion yen (as of end February 2021) has been collected since September 1992 through in-store donation boxes and Loppi multimedia terminals, and from Ponta point and d-point donations.



Support Dreams Fund (Scholarship program for children from single-parent families)

 Organization receiving donation: National Federation of Single Parents and Children's Welfare Associations in Japan This scholarship program was established to provide support to children in single-parent families who wish to realize their dreams. The program provides 30,000 yen per month to 400 students from the third year of junior high school to the third year of high school throughout Japan. In addition to scholarship payments, the program also supports the children through learning support and experience programs.



"Dream Classes" Fund

Organization receiving donations: Public interest corporation: Japan Football Association

We support the "Dream Classes" where athletes talk to children about the importance of having a dream. The classes started in 2019, and in fiscal 2020 we held 42 classes at 22 schools, reaching approximately 1,260 students. The classes were held online in order to prevent infection.



Lawson Green Fund

• Organization receiving donations: The National Land Afforestation Promotion Organization

We support school afforestation activities conducted in primary/junior high schools and special needs schools throughout the nation, and also support forest improvement projects led by voluntary organizations. The number of projects joined by franchise owners and others is 1,611 as of the end of February 2021.



Companywide

Health initiatives

Initiatives on healthful foods

The Lawson Group is developing a range of initiatives in response to increasing health awareness among customers. In 2001 we launched NATURAL LAWSON, which has served as a laboratory for developing health-conscious products that have been sold at LAWSON stores nationwide.

Sales of these healthful products represented roughly 20% of our total food products in fiscal 2015, growing significantly to around 30% of total food products in fiscal 2019, as they found strong support among customers. In fiscal 2021, we will work to expand them even further.

Three essentials of development for healthful foods

Product development and sales are focused on three essentials for solving customers' lifestyle issues (low carb, low salt, and protein intake), and aiming not only at reducing calories and salt, but also making products that taste even more delicious.

Product development targeting deliciousness and health

Our bran bread, onigiri rice balls with sticky barley, and smoothie series have been widely popular among customers. such as those concerned with sugar intake. Repeated renewals of such products from the initial development stage have won wide support.

In terms of salt content, we are working to develop new expertise and technologies to maintain superior taste by bringing out the delicious flavors inherent in the soup stock, other ingredients and seasonings. Health conscious frozen food products with clearly labeled dietary fiber and carbohydrate content are also popular. We also sell food products that use soy meat to supplement protein shortfall as needed.

Furthermore, over the past few years, we have taken up the challenge of changing the common view of convenience store foods. We have been working on not using salt and chemical seasonings and reducing calories in dietary staples. During the COVID-19 pandemic, a decrease in opportunities for going outside led to an increase in stress and lack of exercise in customers. We are therefore focusing on developing products with a greater emphasis on protein to help people build muscle.

LAWSON Farm

In its efforts to assure LAWSON stores a stable supply of vegetables and fruits that support the healthy eating habits of our customers, the Lawson Group has established LAWSON Farm, a corporation eligible for farmland ownership with



member farms at 17 locations nationwide. LAWSON Farms employ the Nakashima method of farming, which involves conducting soil diagnoses to develop ideal soil for growing crops before planting and supplies appropriate nutrition according to the growing conditions to produce healthy, delicious vegetables and fruits. We are also working to satisfy the GAP (JGAP, ASIAGAP)* guidelines for sustainable agricultural production through efforts in the areas of quality improvement, food safety and environmental protection.

* GAP: Good Agricultural Practice (agricultural production process management). LAWSON Farms accorded GAP certification have attained the Japanese JGAP standard or international ASIAGAP standard.

Please refer to the link below for details.

https://www.lawson.co.jp/company/activity/lawsonfarm/

Lawson's Three Essentials for Health

• Skipping breakfast • Lifestyle diseases (excessive carbohydrate or salt consumption) • Needs for healthy life extension

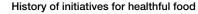
> Lawson's Three Essentials for Health



30% (max.) reduced salt content centered on main normal diet staples

Use of bran (grain husks) to control carbohydrate intake

Steamed chicken breast high in protein





LAWSON **INTEGRATED REPORT 2021**

Domestic Convenience Store Business

Health initiatives

NATURAL LAWSON



In July 2021, NATURAL LAWSON marked its 20th anniversary as a nearby store supporting "beautiful, healthy and comfortable" lifestyles with 143 stores nationwide as of the end of February 2021. With a focus on "supporting health and beauty," "seasonality," and "safety and reliability," NATURAL LAWSON offers a unique and carefully selected lineup of environmentally friendly daily products such as detergents and cosmetics and food products that are delicious and healthy while also offering great value. Moreover, as part of our initiatives to reduce plastic, in addition to our previous detergent range, in February 2021 we launched sales by weight of hand soap, shampoo, and similar items, and also started sales by weight of dry fruits and nuts at some stores from July. In addition, in August 2021, we ran a demonstration experiment at some stores, in which we swapped plastic-wrapped disposable chopsticks and plastic spoons, usually supplied free with product purchases, for paper-wrapped disposable chopsticks and wooden spoons.



20th anniversary commemoration product "Tomato Burger"



Fixtures for sales by weight

Chilled udon with Awaji Island onions and thin-sliced pork

Care-focused LAWSON stores with nursing care consultation desks for seniors

Health consciousness has been advanced through the operation of Care-focused LAWSON stores offering consultations by counselors such as care managers at permanent nursing care consultation desks and products that support seniors and their families. We also use their community salons as regional bases for multi-generational interaction to hold health assessment meetings, "Orange Café" dementia caregiver training courses and other events related to health and preventative care. In May 2021, we conducted consultation services regarding COVID-19 vaccination bookings at some stores.



Nursing care consultation desk at a Care-focused LAWSON



Consultation meeting regarding COVID-19 vaccination bookings

Health-care focused stores and stores selling over-the-counter pharmaceuticals

We are expanding the number of stores that sell over-the-counter pharmaceuticals and prescription drugs through partnerships with dispensing pharmacies and drug store chains, and training of registered sales personnel. We also continue to open healthcare-focused stores offering a wider assortment of cosmetics and daily necessities than ordinary LAWSON stores. At some stores equipped with drug-dispensing pharmacies, we are trialing online drug administration guidance and receipt of prescriptions. In addition, from February 2021, we started the first deliveries of pharmaceutical products using Uber Eats in Japan at some of our stores handling over-the-counter

LAWSON **37**

pharmaceuticals. This service handles 52 types* of Type-2 and Type-3 OTC drugs including cold medicines, eye drops, and stomach medicines. The service meets the needs of customers who want to purchase medicine without going outside. *As of the end of July 2021



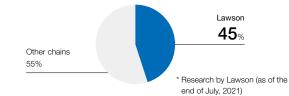
Hospital LAWSON (in-hospital) convenience stores

Lawson has responded to the needs of hospital patients for convenience stores by proceeding to open Hospital LAWSON convenience stores in hospitals, and is now No. 1



for the number of convenience stores in hospitals. Besides regular products and services, Hospital LAWSON stores feature a lineup of products designated by hospitals. We also cooperate with individual hospitals in developing customized stores and services such as hospital wagon sales. Recognizing the hospital as a community in its own right, we seek the daily happiness of every hospital patient by giving careful consideration to their detailed needs.

Ratio of stores in hospitals by convenience store chain*

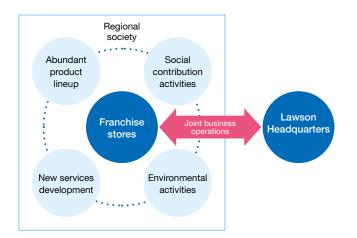


Domestic Convenience Store Business

Support for franchise stores

Supporting franchise store management and reinforcing trust

Lawson's closest, most strategic partners are the franchise owners and store crews who serve customers on the forefront in communities throughout Japan. Strengthening the trust between franchise stores and Lawson and aiming to have stores become a "Hub of refreshment in every community" that is essential for customers and the local region are important for realizing the Group's Corporate Philosophy, "Creating Happiness and Harmony in Our Communities." Lawson is using digital technology to reduce the need for staff and labor in store operations, while headquarters contributes by supporting franchise store recruitment activities and optimizing their benefit packages, as well as by reinforcing various initiatives and systems to encourage sound store management through clear, open communication.



Furthermore, Lawson has a strong focus on increasing franchise store profits, and to ensure that every Lawson employee works more responsibly than ever before to achieve this, from fiscal 2020, the Company's overall management target was changed from sales to franchise store profits, and the key performance indicator (KPI) for employee bonuses was changed to franchise store profits. For stores that have suffered from sharp declines in customer numbers and sales due to the COVID-19 pandemic, headquarters is providing management support tailored to individual stores to support stable operations.

Recommending and supporting multiple store operations

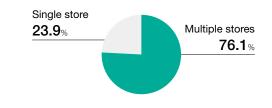
Lawson recommends, moreover, that its franchise owners operate more than one store. This enables them to spread the risk posed by the emergence of new competing stores, so that they can maintain stable management while expanding their business more easily than when operating a single store. A key aspect of multiple store operations is the development of store managers who can be relied upon to manage store operations in place of the owner. From fiscal 2020, Lawson has started the support for store manager training, in which Lawson trainers visit individual stores to provide on-the-job (OJT) training to develop the skills of store managers at franchise stores.

As of the end of February 2021, the multiple store ratio stood at 76.1%, while the multiple store ownership ratio was 45.5%.

Multiple store ownership ratio *As of end February 2021



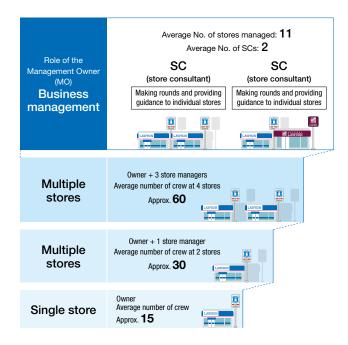
Multiple store ratio *As of end February 2021



Management Owner (MO) system

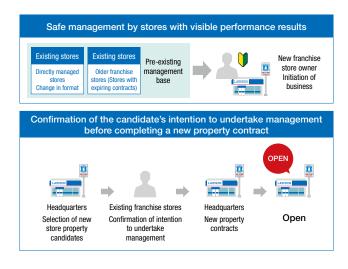
Lawson has established the Management Owner (MO) system to support franchise owners who open additional stores based on a reinforced partnership with the Company. The MO system is making a substantial contribution to the progress of the LAWSON chain as a whole, not only by enhancing the brand image of the Lawson chain through development of model stores and sales floors, but also by providing a platform for MOs to exchange opinions or propose improved work procedures to headquarters management personnel as representatives of the franchise stores in their region. As of end February 2020, there were approximately 190 MOs operating stores in various regions of Japan.

Multiple store ownership and the Management Owner (MO) system



Considerations when entering a franchise contract

With regard to franchise store contract matching, as a rule, potential new franchise owners are introduced to existing stores. For existing franchise stores owners, after confirming their intention to undertake management, we proceed with contract signing and opening of the new property. Furthermore, from fiscal 2020 we created a new 5-year contract package as an option for those who feel less confident about signing up for the existing 10-year franchise contract.



Communication to build strong partnerships with franchise stores

Lawson has established a number of systems aimed at strengthening its partnerships with franchise stores by enabling members of the Board of Directors, including the President, to communicate directly with franchise stores. We place special value on feedback from our franchise stores, which operate in direct contact with customers, and seek to achieve mutual consideration and mutual prosperity with them through close

communication. In fiscal 2020, we have taken such measures as a change to online meetings to prevent further spread of COVID-19.



Lawson Seminars



The President and other members of management share the Company's policies and directions with the franchise owners by providing them with detailed explanations of future business strategies, and informing them of product development planning in conformance with the policies.

Area meetings (convened monthly at branch offices throughout Japan)

Franchise stores from the same areas gather to share details of sales activities planned for the following month as well as of their past successes, or to exchange opinions with the aim of helping individual stores improve their management capabilities.

Lawson Owner Welfare Association board meetings (2 times/year)

Meetings of Headquarters executive officers and representatives selected from among franchise owners in each area convene twice a year. Organized to provide franchise owners with opportunities to exchange opinions with Headquarters, the meetings are attended by the President and other members of Lawson's Board of Directors, who join in discussions covering a range of issues.

MO General Assembly (1 time/year)/MO Executive Committee meeting (2 times/year)

Lawson's management owners meet regularly with headquarters management to exchange opinions as representatives of their regional franchise stores in accordance with Lawson's Group-wide practice of participation in management.

Lawson Owner Hotline (as needed/available to all franchise stores)

In July 2019, Lawson established a system of both internal and external telephone consultation contacts (in law offices) to enhance communication with franchise owners.

We also provide for direct communication with the President (as needed) and conduct questionnaire surveys at member stores (once a year).

Supporting work style reforms Owner support system

From September 2020, we deployed around 60 Lawson staff at eight offices nationwide to support franchise store owners in taking leave.

One-time personnel recruiting service "matchbox"

From April 2021, we introduced the one-time personnel recruiting service "matchbox" provided by our affiliate company, Lawson Staff Co., Ltd., for LAWSON stores throughout Japan. Stores can advertise online for people to fill

open shifts, and registered job seekers can apply to stores that suit their conditions, allowing stores to select personnel. The service has been highly beneficial to franchise store owners seeking to find workers for shifts during times when they are short staffed, or to fill sudden absences.



Promoting the use of learning tools for beginners

We have created a learning tool called "Starting Work at Lawson" that contains all the operations that need to be learned by new crew members (part time) when starting the job. This tool enables them to quickly learn about things such as basic



at the register. We have also held courses on how to train new crew members for franchise store owners. store managers, and crew leaders who need to provide the training, as well as learning tools for non-Japanese crew members. Our goal is to enable crew members to enjoy working at the same store for a long while.

Lawson Owner Welfare Association

The Lawson Owner Welfare Association provides franchise stores with benefits embodying the three principles of "comfort," "health" and "peace of mind." The wide range of benefit packages includes various allowances, mutual aid and compensation for franchise owner members and their families as well as for store crew and staff members.

Franchise store SDGs award

The Lawson Group is encouraging franchise stores to engage in initiatives for the UN Sustainable Development Goals (SDGs) through the building of strong relationships between Lawson Headquarters and franchise stores. We also hope that these will lead to contributions to local communities.

Since fiscal 2020, Lawson has held the "Franchise Store SDGs Awards" to foster understanding of the SDGs among franchise stores and to increase their motivation. We call for examples of "activities to bring happiness to the community" undertaken by stores and present awards for the initiatives of 10 stores judged by a panel of Lawson's corporate officers.

Examples of franchise stores SDGs Awards

- Providing safety support on pedestrian crossings and periodic rubbish clean-up around the state highway
- Handing out coloring in sheets in the store and presenting children who participate with croquettes or bubble sets
- Twice weekly mobile sales at a facility for elderly residents, and hearing their requests
- · Hosting junior high school students for work experience and conducting visiting lessons at the school
- Washed and donated approximately 2,000 MACHI café milk packs to an elementary school
- Clean up activities in the shopping district and provision of guidance on illegal signage and preventing abandoned bicvcles
- Visiting lessons at elementary schools to teach about Lawson social contribution activities and environmental issues, hosting store visits, for seventeen years
- Daily morning clean-up of the area around the store and participation in regular clean-up of the local shopping district
- Ongoing support for local children's club, including donations of rice balls and original sweets
- Mobile sales to areas with poor shopping access, such as construction sites and areas near the mountains

Companywide

Developing and operating a supply chain with consideration for society (human rights, etc.) and the environment

Respecting human rights and the natural environment by using coffee beans from Rainforest Alliance certified plantations

Lawson is working to improve the lives of people involved in the production and processing of raw materials. We are also working to develop a sustainable supply chain that takes natural resources and the environment into consideration.

For our MACHI café in-store freshly brewed coffee service, we use only coffee beans from Rainforest Alliance certified plantations.* This certification is awarded to farms that use sustainable farming methods to meet rigorous environmental, social and economic standards.

At the Ipanema plantation in Brazil, where we procure our coffee beans, we are working to improve the working environment for plantation workers and support the education of the children. We are also working to protect the lush greenery by creating a nature conservation area within the plantation. For example, more than 160 honeybee hives have been set up to promote pollination of various native plants and increase biodiversity.

*Not applicable to the single origin or decaffeinated series.

Increasing our use of FSC®-certified products

We promote the use of products, containers, and packaging made from raw materials that have the FSC[®] certification, a standard for responsible forestry. We use these materials in paper cups, paper plates for original products, and paper packs for beverages. We plan to expand our use of environmentally friendly and sustainable options in our product offering and in our raw materials procurement.





We provide a comfortable working environment for workers.





More than 160 beehives have been set up on the plantation.

Main FSC®-certified products



Environmentally friendly paper cups



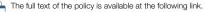
Prisma Pack Natural Lawson Mixed Vegetables and Fruits

Lawson Group Human Rights Policy

Lawson has been conducting corporate activities with a respect for human rights based on the Lawson Group Corporate Conduct Charter and the Lawson Group Transaction Policy. To promote the efforts to achieve the SDGs and ESG-focused management even more, on June 16, 2021, the Board of Directors established the Lawson Group Human Rights Policy. As well as respecting human rights in its own business activities, Lawson expects all stakeholders to agree to this policy, and will engage in dialogue and consultation toward ensuring respect for human rights.

Lawson Group Human Rights Policy (excerpt)

- 1. Respect for human rights: the Lawson Group's stance and the expectations of our stakeholders
- 2. Key themes of human rights
- (1) Prohibition of discrimination
- (2) Prohibition of child labor
- (3) Prohibition of forced labor
- (4) Appropriate wage payment and appropriate management of working hours
- (5) Equal employment opportunities
- (6) Protection of workers and prohibition of harassment
- (7) Respect for personal information and privacy
- 3. Conducting human rights due diligence
- Responding to consultations and reports; resolving and correcting problems
- 5. Promotion of human rights-related education and awareness-raising
- 6. Information Disclosure



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