

## Strategy for Creating Happiness through the Three Promises



### Companywide

Reduced CO<sub>2</sub> emissions

Goal for 2030 (KPI)  
CO<sub>2</sub> emissions per store  
**Reduction of 50%** from 2013  
(Target revised upward in June 2021)

### Surprise ‘Whew!’ kindness project

Lawson started the “Surprise ‘Whew!’ kindness project: in July 2020, aiming to contribute to the vision of the SDGs by promoting initiatives for solving environmental issues, such as CO<sub>2</sub> emissions, food waste, and reducing plastic from containers, packaging, and shopping bags. We have set targets (KPIs) for 2030 and 2050.

### Reduced CO<sub>2</sub> emissions

In April 2021, the Japanese government revised its targets for greenhouse gas (GHG) reduction upward, changing it to a 46% reduction compared to 2013. Lawson has followed suit, revising its 2030 target for reduction in CO<sub>2</sub> emissions per store upward from a 30% reduction from 2013 to a 50% reduction from 2013. To achieve this target, we are working to reduce electricity consumption in stores, with initiatives such as introducing energy-saving refrigeration systems, upgrading to the latest air conditioners and LED lighting, and promoting the “Ten Energy-saving Rules” in stores.

### Introduction of CO<sub>2</sub> refrigeration systems

Lawson started installing highly energy-efficient CO<sub>2</sub> refrigeration systems in 2010. Approximately 4,200 stores have installed the systems (as of the end of March 2021). These systems use CO<sub>2</sub> refrigerants whose impact on global warming is said to be smaller than that of CFCs, and therefore can materially reduce greenhouse gas emissions. Also, they are very energy-efficient.



CO<sub>2</sub> refrigerant cooling/refrigeration system

### Implementation of “Ten Energy-saving Rules” at the stores

Lawson has established the “Ten Energy-saving Rules” to improve the operational efficiency of in-store refrigeration and air conditioning systems, and reduce the total amount of electricity used. Based on these rules, we perform maintenance duties such as adjusting the set temperature, and cleaning filters at each store.



### CO<sub>2</sub> emissions generated by our supply chain for fiscal 2020

CO<sub>2</sub> emissions in total **Approx. 5,301.9 thousand tons**

Method of calculating greenhouse gas emissions in the supply chain  
Calculated from the Database of Emissions per Base Unit Ver.3.1, based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain, Ver.1.0, explanations by industry (retail industry).

Category	Emissions covered	Emissions (Thousand t-CO <sub>2</sub> )
Scope 1 (Direct emissions)	Gasoline consumption of company vehicles	4.3
Scope 2 (Indirect emissions)	Electricity consumption of the headquarters, regional offices, branches, and company-operated stores	980.7
Scope 3 (Other indirect emissions)	Raw materials purchased (Private and national brand products, plastic shopping bags, etc.)	4,025.7
	Electricity consumption associated with procurement of electric power	144.9
	Energy consumption of the delivery centers	101.0
	In-store waste, and industrial waste due to store closures and remodeling	20.6
	Business travel of Lawson Headquarters employees	0.9
	Disposal of containers, chopsticks, and plastic shopping bags	23.8
<b>Total</b>		<b>5,301.9</b>

\* Does not cover all of Lawson's supply chains  
Scope 2 is the sum of electricity use at stores from fiscal 2020

# Companywide

## Reduced use of plastics and food loss

### Reduced use of plastics

Goal for 2030 (KPI)	Plastic containers and packaging <b>Reduction of 30%</b> from 2017 (Adoption of original product packaging using 50% eco-friendly materials)
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#### Reducing plastic use for packaging

We strive to replace plastic packaging items with paper ones, and reduce the volume of plastic waste while retaining the taste and quality of our original products. Also, we are committed to reducing plastic use by utilizing plastic packaging items partly made from plant-derived materials.

#### MACHI café



#### Changed to paper material for all iced coffee cup sizes: S, M, Mega

- Changing cup material from plastic to paper, expecting to reduce plastic use by approximately 2,165 tons per year
- Switching to lids with a sip-thru hole that allows customers to drink their beverages without the need for a straw

#### Using paper containers for certain Machikado Chubu in-store kitchen offerings and the “Choi” series of small-volume boxed meals

- Changing rice bowl-type boxed lunch containers to paper containers, expecting to reduce plastic usage by approximately 250 tons per year
- Using paper containers for the small-volume type “Choi” series of cooked noodles and chilled boxed meals



#### Changing the wrapping materials for rice ball products

- The specifications of plastic materials have been changed for the wrapping of all hand-rolled rice ball products, and some directly wrapped rice ball products and rice ball products sold with other products in a bundle. Some of the wrapping has been changed to plant-derived materials, and the thickness of the wrapping sheet has also been reduced.



#### Sales by weight – a new initiative at NATURAL LAWSON

- Some NATURAL LAWSON stores have been trialing sales by weight, enabling customers to buy just the amount they need, in the container of their choice. This initiative not only helps to reduce plastic containers used in conventional products, but also suits people who want to try a small sample.
- In addition to daily necessities such as detergent (from August 2020) and shampoo and body soap (from February 2021), we have now also started sales by weight for food such as dried fruit and nuts (from July 2021).



#### Started demonstration experiment of PET bottle reduction and recovery machine in collaboration with the Kirin group

- In collaboration with Kirin Holdings Company, Limited and Kirin Beverage Company, Limited, in July 2021 we started a demonstration experiment for recovering used PET bottle containers at LAWSON Yokohama Shinkoyasu Store, aiming to promote PET bottle reuse and recycling. Recovered PET bottles are collected using the vending machine operation route of Kirin Beverage Company, Limited, to achieve more efficient transport and reduce environmental impacts such as CO<sub>2</sub>.



#### Charge for plastic shopping bags

- Effective July 1, 2020, it became law for stores to charge for plastic shopping bags in order to help preserve the global environment. Accordingly, in addition to charging for shopping bags, Lawson is producing bags with a mix of approximately 30% plant-derived materials to reduce the use of plastics. The shopping bag refusal rate at the end of February 2021 had reached 74.9%. In addition, part of the proceeds from shopping bag sales at directly operated stores was donated in the form of rice to Food Bank Japan Promotion Group as an initiative to provide food support for children.

### Reduced food loss

Goal for 2030 (KPI)	<b>Reduction of food waste by 50%</b> from 2018 level
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#### Donating the surplus stock of original products on a regular basis

Since August 2019, Lawson has periodically donated to the Japan Food Bank Promotion Group original sweet products, processed foods, etc., that missed the delivery deadlines\*. During the Christmas season in December 2020, we expanded this activity to include chilled products such as Christmas cake and hamburger steaks. We have also expanded the scope of recipients for these donations. In addition to the Bunyko-Ward “Kodomo-Takushoku” children’s food delivery program, from December 2020, we have been supporting Kodomo-Takushoku operators throughout Japan through the supporting organization, Kodomo-Takushoku Ouen Dan. As a new initiative, we also tried distributing free coupons for boxed meals to users of the service that can be redeemed directly at stores. In fiscal 2020, we delivered a total of around 270,000 products to needy families through these organizations, as well as to Children’s Cafeterias, orphanages, and facilities for people with disabilities.

\* Food products are delivered for donation much earlier than their best-before dates.

#### Recycling of unsold food

The daily volume of unsold food products at Lawson stores is 5.5 kg per store, along with 2.4 kg of food oil (oil waste) used for deep-fried food products. In order to reduce food waste, we optimize order volumes and offer discounts to promote the complete sale of all stock. We also deliver unsold food products to recycle plants to have them recycled into animal feed for swine or poultry, or fertilizer. Oil waste is also recycled as a nutritional additive for animal feed, biodiesel, etc.

## Domestic Convenience Store Business

### Regional cooperation

#### Comprehensive agreements with local governments and administrative services

##### Comprehensive agreements with local governments

Having concluded comprehensive agreements with local governments throughout Japan, Lawson is collaborating with them in programs aimed at revitalizing local communities and creating community environments in which everyone can lead a comfortable life.

As of the end of June 2021, we were cooperating with 65 local governments (45 prefectural and 20 municipal governments) in a wide variety of projects. The list includes welfare and childrearing support, such as provision of hot water for baby milk, product development leveraging use of local specialties and seasonal ingredients, crime prevention activities, environmental improvement through greening and cleaning activities, provision of supplies and support for people who are stranded away from home during disasters. In addition to all these, some stores have formed tie-ups with local governments to serve as antenna shops to promote recommended local products and provide tourist information.



Stores with antenna shops for local governments

#### Administrative services available at Lawson

Customers can get various forms of government-issued documents with the My Number Card, or Basic Resident Register Card at Lawson stores throughout the country. Currently, this service is available in 858 cities, wards, towns, and villages (as of August 10, 2021). The in-store multi-functional copier can be used to print out copies of residence certificates, seal registration certificates, tax payment certificates, family register certificates, copies of supplementary family registers, etc.\*



\* The public services available at Lawson stores vary depending on the local municipality

#### Promotion of mobile sales

We visit facilities for the elderly, companies, and factories to sell food and daily necessities, to reach customers who cannot easily visit our stores. In cooperation with local governments, we also provide mobile shopping services to remote areas, as well as a “community watch service” in which we check in on the elderly.



#### Participation in safety station activities

The convenience store industry has faced a growing number of demands from society in recent years for actions ranging from crime prevention and disaster response and safety measures to supporting the sound, healthy development of young people.

The Lawson Group is responding by participating actively in the Safety Station activities (SS activities) of the Japan Franchise Association, cooperating with efforts to implement safe, secure community development, and working to ensure a wholesome youth environment. We are also taking measures to prevent robbery and special fraud, protect women and children who feel threatened, and safeguard confused elderly residents who wander away from home. Lawson’s pursuit of these efforts earned commendations from local police for 733 instances of special fraud prevention at its stores in fiscal 2020.



#### Incidents in 2020

Sheltering women from potential threats	1,353 stores	At least 1,999 instances
Sheltering children from potential threats	707 stores	At least 1,013 instances
Safeguarding seniors	2,615 stores	At least 4,768 instances
Preventing scams (wire fraud, etc.)	2,319 stores	
Encouraging young people to go home during late-night hours	7,837 stores	

Source: FY2020 survey of franchise store owners and store managers (JFA); extracted figures for Lawson only.