



Lawson supports SDGs (Sustainable Development Goals)

Corporate profile

As of the end of February 2021

Company name	Lawson, Inc.	Business activities	Franchise chain development of LAWSON, NATURAL LAWSON and LAWSON STORE100.
Headquarters	East Tower, Gate City Ohsaki, 11-2, Osaki 1-chome, Shinagawa-ku, Tokyo 141-8643, Japan	Net sales for all stores	2,349.7 billion yen (consolidated)
President and CEO, Representative Director, Chairman of the Board	Sadanobu Takemasu	Number of stores (domestic and overseas total)	18,097 stores
Established	April 15, 1975	Operating areas	All 47 prefectures in Japan China (Shanghai, Chongqing, Dalian, Beijing, Shenyang, Wuhan, Hefei, Changsha, Haikou), Indonesia, U.S.A (Hawaii), Thailand, and Philippines
Capital	58,506.644 million yen		
Number of employees	10,385 (consolidated)		

Note1: Net sales for all LAWSON stores (consolidated) is the sum of total sales by the domestic convenience store business, overseas business, and Seijo Ishii stores (consolidated subsidiaries only). For the Seijo Ishii business, only the total for its Company-operated stores is included.
2: The number of stores in Japan represents the total number of LAWSON, NATURAL LAWSON, and LAWSON STORE100 stores operated by Lawson Inc., and other LAWSON stores operated by Lawson Okinawa Inc., Lawson Minamikyushu Inc., and Lawson Kochi, Inc. Moreover, the number of overseas stores refers to the number of LAWSON brand stores run by each local operating company.

Total number of stores (in Japan and overseas)*

Areas in which stores are operated **18,097 stores**

As of the end of February 2021

Number of stores in Japan* **14,476 stores**

Hokkaido region	Kanto/Koshinetsu region	Chubu region	Kinki region	Chugoku region	Kyushu/Okinawa region	Overseas
679 stores	5,274 stores	1,720 stores	2,541 stores	853 stores	1,610 stores	3,621 stores
Tohoku region	Ibaraki 226	Toyama 183	Shiga 155	Tottori 136	Fukuoka 515	China 3,344
1,181 stores	Tochigi 199	Ishikawa 104	Kyoto 321	Shimane 142	Saga 75	Indonesia 68
	Gunma 241	Fukui 109	Osaka 1,113	Okayama 211	Nagasaki 112	Hawaii 2
Aomori 278	Saitama 695	Shizuoka 281	Hyogo 663	Hiroshima 244	Kumamoto 160	Thailand 140
Iwate 182	Chiba 604	Aichi 723	Nara 137	Yamaguchi 120	Oita 193	Philippines 67
Miyagi 255	Tokyo 1,692	Gifu 183	Wakayama 152		Miyazaki 111	
Akita 182	Kanagawa 1,076	Mie 137			Kagoshima 199	
Yamagata 113	Niigata 230		Shikoku region 618 stores		Okinawa 245	
Fukushima 171	Yamanashi 137		Tokushima 135	Ehime 212		
	Nagano 174		Kagawa 132	Kochi 139		

* The number of stores above includes NATURAL LAWSON stores and LAWSON STORE100.

Main Lawson Group Companies

As of the end of February 2021

Field	Company name	Field	Company name
Domestic convenience store business	Lawson, Inc.	Consulting business	BestPractice, Inc.
	Lawson Store100, Inc.		
	SCI, Inc.	Overseas business	Lawson (China) Holdings, Inc.
	Lawson urbanworks, Inc.		Shanghai Lawson, Inc.
	Lawson Okinawa, Inc.		Shanghai Le Song Trading Co., Ltd.*
Lawson Minamikyushu, Inc.	Shang Hai Gong Hui Trading Co., Ltd.*	Zhejiang Lawson, Inc.*	
Lawson Kochi, Inc.		Chongqing Lawson, Inc.	
Entertainment business	Lawson Entertainment, Inc.	Dalian Lawson, Inc.	LAWSON (BEIJING) INC.
	Lawson HMV Entertainment United Cinema Holdings, Inc.		BEIJING LUOSONG Co., Ltd.
	United Entertainment Holdings Co., Ltd.		Saha Lawson Co., Ltd.
	United Cinemas Co., Ltd.		
Finance-related business	Lawson Bank, Inc.	SEJO ISHII business	SEJO ISHII, CO., LTD.

* As there is no official company name in English, an English translation is presented here.

Lawson, Inc.

Corporate Strategy and Planning Division
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Published September 2021.
Next issue scheduled for publication September 2022.
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LAWSON



Message from the President



Sadanobu Takemasu
 President and CEO
 Representative Director
 Chairman of the Board and
 Chief Sustainability Officer

Hello everyone. Lawson has established the Chief Sustainability Officer (CSO) position, and I have taken on this role myself from March 1, 2021. I will further strengthen our efforts to address the SDGs, which are becoming increasingly crucial for the future of our community and our planet. Since the spread of COVID-19 last year, the values of our customers and communities have changed dramatically. The Lawson Group has responded to these changes as the "hub of refreshment in every community" by working for activities such as providing free rice balls to after-school childcare facilities, engaging in medical actions, and supporting children.

We received many ideas from franchise stores. Throughout the year, I was proud of the entire Group's passion for helping communities. We will address the new lifestyles of our customers by evolving the Lawson Group continuously and strive to fulfill the Group's philosophy of "Creating Happiness and Harmony in Our Communities." In order to realize a world where no one is left behind, we will think seriously about what we can do for our customers, our communities, and our planet. Franchise stores and the Group will work as one to take on the challenges of solving social issues.

Group Philosophy

Creating Happiness and Harmony in Our Communities.

Vision

Our goal is to become the hub of refreshment in every community.

Lawson's Way (Action Guideline)

 In 2020, Lawson established the "Lawson's Way," our code of conduct consisting of five new rules as shown below to specify the roles to play, and execute the mission and responsibility to realize our group philosophy.


Contents

SDGs initiatives highlights

<p>Surprise 'Whew!' discoveries</p> <p>It wouldn't be Lawson without amazing discoveries and exciting surprises in products and services.</p> <p>Surprise 'Whew' happiness</p> <p>By creating clean stores and providing pleasant customer service, Lawson will make both customers and employees happy.</p> <p>Surprise 'Whew!' kindness</p> <p>Reduction of waste and environmentally friendly initiatives. This is the Lawson for a new era, living in harmony with our communities and the earth.</p>	<p>2 Franchise Store SDGs Awards for FY2020</p> <p>6 Various initiatives for SDGs by group companies</p> <p>8 Material issues and major initiatives/Goals for 2030 and 2050 (KPI)</p> <p>Offering deliciousness</p> <p>10 Utilizing local ingredients and the delicious taste of freshly cooked food</p> <p>12 Quality-focused and society/environmentally-friendly tastiness</p> <p>Becoming a health hub for people and the community</p> <p>14 Supporting people to "eat deliciously and live healthily"</p> <p>16 A health hub to revitalize the community</p> <p>18 Creating stores that value store crews</p> <p>20 Working as a watch station for the safety of people in the community</p> <p>Promoting environmentally-friendly lives</p> <p>22 Reducing CO₂ emissions through energy saving and energy creation</p> <p>24 Reducing plastic use for shopping bags and packaging</p> <p>26 Reducing food waste which also supports people in the community</p> <p>28 Improving the safety, security, and convenience of customers</p>
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We are working on various initiatives at stores across Japan for "Creating Happiness and Harmony in Our Communities," which eventually promotes the SDGs.

Our group philosophy and business policy, the "Three Promises," contribute to the SDGs and lead to happiness and harmony in our communities. We solicited examples of "activities creating happiness and harmony in our communities" undertaken at stores nationwide and presented the "Franchise Store SDGs Awards for FY2020." We would like to introduce the initiatives of the ten winning stores.



Local children and teachers are happy with our efforts

Mr. Yasumasa Momose
Owner
Matsumoto Branch/Matsumoto Sasabe Store



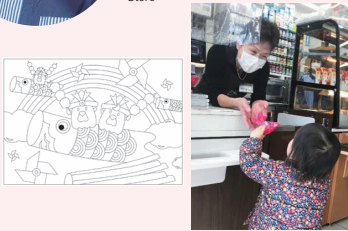
Utilizing milk cartons as toilet paper

We heard that if you collect milk cartons, you can exchange them for toilet paper to be used at school, so we wash and dry the milk cartons used at MACHI café and donate them to the local elementary school. A little effort can make people happy, so we are continuing this activity hoping that other stores will also follow suit. We have been doing this for almost a year and have donated about 2,000 packs.



Our crew was touched by the "thank you" from our customers

Ms. Sachiko Tamaru
Owner
Tokyo Higashi Branch/Tabata 6-chome Store



Bringing joy to children who have lost their fun due to the COVID-19 pandemic

In order to help children and their parents with high stress levels caused by the COVID-19 pandemic, we planned an event to distribute coloring sheets printed out on a copy machine to elementary school children and younger. If the children brought them back, we would give them side dish croquettes and soap bubbles. A nearby restaurant sponsored the event and paid half the cost of the bubbles, and we announced the project on posters in our store.



We have been working on various projects together with people in the community

Ms. Miwa Mukawa
Store Manager
Yamanashi Branch/Minami-alps Sangun Store



Every year after each class, we receive a thank you report from all the students

Mr. Kimio Sato
Owner
Kishiwada Branch/Kawachinagano Mikkaichi Ekimae Store



From a woman's unique perspective, supporting the future of local children

We delivered lunches with the teacher's name on them when there was a field trip at a nursery school. For elementary schools, we shared our store's restrooms and parking lot during events. For junior high school students, we accepted students for work experience and provided on-site classes. We delivered beverages at the sports festival for high schools and participated in the food stalls at the cultural festival. As such, we employ women's unique viewpoints to contribute to our community closely.



Providing on-site lessons to elementary schools for 17 years so that students can learn about the environment through Lawson

For seventeen years in a row, we have been providing third-grade elementary school students with on-site classes and store tours. We talk about the Lawson Group's philosophy, store mechanisms such as the ordering system, and social contribution activities including fund-raising and recycling activities in the classes. We hope that our activities will continue to encourage children to think about the environment.



SUSTAINABLE DEVELOPMENT GOALS

What is the SDGs?

The "Sustainable Development Goals (SDGs)" were adopted by the United Nations Sustainable Development Summit in 2015. As part of our aim to achieve our group philosophy of Creating Happiness and Harmony in Our Communities, Lawson proactively promotes the initiatives toward the fulfillment of SDGs by setting material issues and KPIs.

Hearing "Thank you for your hard work" from our customers encourages us more than anything

Mr. Yasuhiro Nakano
Owner
Osaka Chuo Branch/Dotonbori Store




11 SUSTAINABLE DEVELOPMENT GOALS AND COMMUNITIES

Practicing beautification and revitalization projects to make our community safe and secure

We regularly carry out beautification activities in the Dotonbori shopping district and the local Jizou shrine. We also take the lead in creating a safe and secure community by providing guidance on illegal signboards and raising awareness about abandoned bicycles, etc. in the presence of the construction bureau, police, and ward office. We are also planning to revitalize the shopping district, which is struggling due to the pandemic.

The mobile sales serve as a place for local residents to check on their safety and socialize

Mr. Tomoaki Fujita
Owner
Ehime Higashi Branch/
Saijo Hiuchi Store




11 SUSTAINABLE DEVELOPMENT GOALS AND COMMUNITIES

We provide mobile shopping services to people who live in the region where shopping is inconvenient

We have expanded our mobile sales, originally conducted only at the construction sites of electric power companies, to areas where shopping is inconvenient and to two nursing homes. In cooperation with local citizens' committee members, we sell daily delivered food, beverages, confectionaries, and bakery items to elderly customers with reduced mobility. We are contributing to the community through mobile sales.

Going forward, we hope to visit facilities for the disabled and elderly

Mr. Chikara Toyoshima
Owner
Okayama Nishi Branch/Kurashiki Fukuda Store




2 ZERO WASTE

Presenting rice balls and original sweets to local school children

In 2020, when Lawson Headquarters distributed rice balls to after-school childcare facilities, we quickly addressed the shortage of rice balls, made them in the kitchen and then delivered them. After this, we started to receive orders for rice balls from the childcare facilities. In return, we donated about 10 cases of snacks for the children during summer vacation and Christmas.

The words "Thank you for always coming" from our customers are very encouraging

Mr. Akikazu Shibata
Owner
Kanagawa Higashi Branch/
Zuyoshindo Nagae Store




11 SUSTAINABLE DEVELOPMENT GOALS AND COMMUNITIES

Practicing errand-running during our mobile sales at elderly facilities

We visit elderly people's facilities with our mobile sales vehicle to sell our products. Since there are many customers in wheelchairs, we try to make it easier for them to purchase products that can be stored at room temperature by placing them on tables. By having the owner and store manager visit the facilities together, we can listen to the customers' needs and try to respond to their requests as much as possible.

Learning with the children that "Separate and you get resources, mix and you get garbage"

Mr. Muneyuki Yusa
Owner
Miyagi Minami Branch/Watari Yamamoto Store




11 SUSTAINABLE DEVELOPMENT GOALS AND COMMUNITIES

Contributing to local communities through traffic safety, beautification activities, and environmental measures

Since March 1997, we have been working as a traffic warden for one hour twice a month to help children and elderly people cross the street. We also regularly pick up trash along the national highway 500 meters north and south of the store. All the proceeds from the recyclable garbage that we separate at the store are donated to the town's elementary and junior high schools, half each.

We feel connected to our community when our customers say, "Thank you for your hard work"

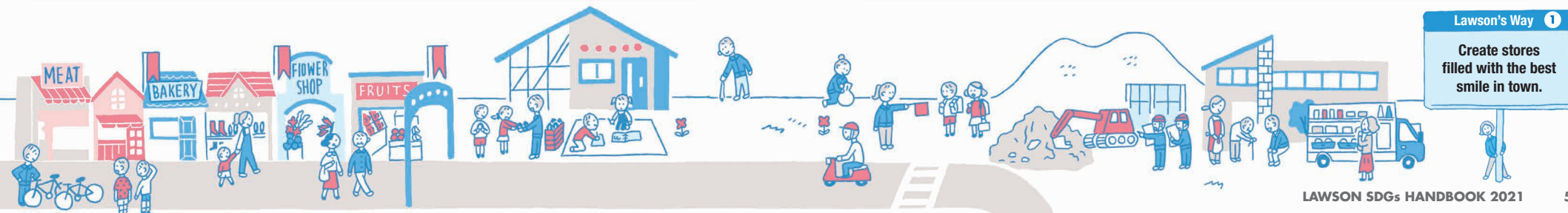
Mr. Masaaki Yamauchi
Owner
Keihanna Branch/Kameoka Umahori Store




4 QUALITY EDUCATION

Creating a store that is useful to the community as well as a place for learning

We accept second-year junior high school students for a three-day work experience program. The students spend five hours a day working at our convenience store, and each time they are delighted, telling us, "It was a good experience." Through these activities, we have strengthened our ties with local junior high schools. We also participate in daily cleanup activities around nearby houses and regular cleanups of the river and shopping area.



Lawson's Way 1

Create stores filled with the best smile in town.

Group companies are working on the SDGs in various regions and ways.

Group companies are promoting efforts to attain the SDGs, such as energy saving measures, food waste reduction, and plastic reduction, in cooperation with local community residents in various regions.



Shanghai Lawson, Inc.



Opening of an eco-friendly model store in Shanghai, China



On April 28, 2021, we opened an eco-friendly model store, Lawson Qixin Road No. 1010, in Minhang District, Shanghai, China. The store employs energy-saving refrigeration equipment, high-efficiency LED lighting, a new self-service microwave oven, and an energy-saving implementation support system, aiming to reduce electricity consumption and CO₂ emissions by approximately 20% compared to 2015.

Lawson Kochi, Inc.



Selling rice ball sets in Wappa (wooden lunch box) style containers made of paper



The "L-Chubo," a uniquely developed in-store kitchen, released the "Rice Ball Set Ume Chirimen" (plum and dried

whitebait) which uses a paper container for the first time to reduce plastic on June 15, 2021 (480 yen including tax). It contains Ume Chirimen rice balls, Sasami Tatsuta-age (fried chicken), and Edamame Fukkuraage (plump fried soybeans) in a Wappa style container made of paper.

Lawson Store100, Inc.



Reducing food waste by promoting the sell-off of products



Under the store concept of "aiming to be a convenience store that supports your menu," LAWSON STORE100 offers a variety of fresh food and other grocery products to support daily meals. It strives to reduce food waste by setting a discount schedule for each product category and selling off products approaching their expiration date.

Lawson Entertainment, Inc.



Disseminating information through company newsletters and SDGs training



To raise employee awareness of the SDGs, we disseminate information through our company

newsletters and conduct SDGs training. In 2020, we conducted training four times in total, starting with essential knowledge and explaining issues in Japan and examples from the entertainment industry to promote employee understanding.



Lawson Okinawa, Inc.



Developing and selling three types of bread in collaboration with commercial high school students in the prefecture



Custard Benilimo (Red Potato) Croissant
Chubu Commercial High School

Shikwasa Pie
Nago Commercial & Technical High School

SHIKUWA-Cheese CHOKOTTO Croissant
Naha Commercial High School

To promote Okinawa Prefecture's industries, the "Product Development Project" is held every year to develop original products in collaboration with commercial high school students in the prefecture. We selected three items out of 109 entries and released three types of bread that incorporate ingredients produced in Okinawa while focusing on taste and appearance in 2020.



Lawson Bank, Inc.



Promoting SDGs activities through an employee participatory project



We launched an employee participatory project to promote SDGs initiatives from three perspectives of corporate management, business, and function provision in 2020. Moreover, a team of four employees takes turns each month to lead SDG activities within the company, to encourage all employees to think and act on the SDGs as their personal issues.



SEIJO ISHII CO., LTD.



Experimental introduction of plastic shopping bags containing 90% naturally-derived raw materials



We use plastic shopping bags containing 50% biomass, a naturally-derived raw material, in all our stores. Furthermore, from June 21, 2021, we will experimentally introduce plastic shopping bags (extra-large size only)

containing 90% biomass in some stores. After verifying the usability and other aspects of the bags, we will expand the use of the bags to all sizes from October and introduce them to all stores sequentially.

Lawson Minamikyushu, Inc.



Promoting PET bottle recycling in cooperation with Osaki, Kagoshima Prefecture



In cooperation with Osaki Town, which is implementing an SDGs model project starting with waste recycling, we collect PET bottles at LAWSON Osaki Nogata Interchange Store in Nogata Arasano Roadside Station and recycle them at a nearby recycling center. We will continue to cooperate with Osaki Town in creating a sustainable community.

Lawson's material issues and major initiatives

Based on our business policy: the "Three Promises," we classified our value chain-related initiatives into six categories taking into account social issues and conditions.

We decided our material issues from customers' standpoints placing importance on our initiatives as an organization responsible for safe and secure social infrastructures which is the most important thing for a retailer.

Also, from 2021, major group companies have identified priority issues and set goals (KPI). The entire Lawson Group will combine forces to solve social and environmental issues.

*The main initiatives and services have been revised or abolished, with those that have already been completed removed and new ones added.

Business Policy

Applicable SDGs

Material Issues (Materiality)

Major Initiatives* and Services (examples)



Superior taste



Providing Safety/Security-Oriented Overwhelmingly High Value-Added Products and Services Friendly to Society and the Environment

- Providing high value-added private brand (PB) products
- Deployment of Machikado Chubu in-store kitchens
- Planning and developing locally-produced products for local consumption, and active use of domestic ingredients
- Development and sales of socially and environmentally-friendly products
- Development of products and services that respond to changes in society
- Building and operating a supply chain that is friendly to society (human rights, etc.) and the environment
- Conducting fair and equitable transactions with suppliers

Surprise "Whew!" discoveries



Human kindness



Supporting Health Promotion for All People Through Products and Stores

- Development of low-salt, low-carb, and protein-enhanced products
- Creation of a pharmaceutical product sales system
- Promotion of collaboration with local governments on health promotion

Providing Comfortable Work Environment Leading to Job Satisfaction

- Creation of a comfortable work environment in stores
- Training of store crews and promotion of their retention
- Introduction of the owner support system

Surprise "Whew!" happiness



Supporting Women, Senior People as well as Children's Growth

- Promoting fund-raising programs for children's futures
- Creation of an environment to support children's learning
- Donation of products to facilities that require food support



Environmental (Machi*) friendliness



Coexisting Synergistically with Communities by Serving as Part of Social Infrastructure

- Promoting mobile sales and delivery services
- Executing comprehensive regional agreements with the local governments and promoting collaboration
- Collaboration with national and local governments to support stricken areas in the event of a disaster

Sustainable Environment Preservation Activities Toward Carbon-Free Society

- Promoting energy efficient stores and offices
- Utilizing and spreading renewable energy
- Promoting products to be sold off or sold by weight, and developing products with a longer consumption period
- Reducing plastic used for containers, packaging and promotional materials
- Reducing the use of natural resources in copy paper and others

Surprise "Whew!" kindness

* Machi (literally "town") refers to the communities in which Lawson operates and, by extension, the global village as a whole.

Environmental Vision "Goals for 2050 (KPI)"

Lawson Blue Challenge 2050!

Save our blue planet!

Reducing CO ₂ emissions CO ₂ emissions per store	Reduce by 100%
Reducing food waste	Reduce by 100%
Reducing plastic (for containers and packaging) Lawson's original products Eco-friendly materials	100% used

Goals for 2030 (KPI)

Reducing CO ₂ emissions CO ₂ emissions per store	Reduce by 50%* v. 2013 levels
Reducing food waste	Reduce by 50% v. 2018 levels
Reducing plastic Plastic for containers and packaging	Reduce by 30% v. 2017 levels
(Lawson's original products eco-friendly materials	50% used)
Plastic shopping bags	Reduce by 100%

* Revised upward from 30% to 50% in June 2021



Endorsement of TCFD

In April 2020, we endorsed the TCFD (Task Force on Climate-related Financial Disclosures). To respond to the intensifying climate change issue, we analyze the risks and opportunities associated with climate, understand the impact on our business strategies, and consider countermeasures, while striving to disclose information proactively.



Surprise "Whew!" discoveries

We value local specialties, seasonal ingredients, and freshly prepared tastes.

Lawson is contributing to the revitalization of the community through product development using local ingredients and antenna shops. We also provide high value-added products that make people happy with fresh tastes.

2 **Revitalizing local communities with local production for urban consumption by developing products with local ingredients**

We promote local production for urban consumption by using local ingredients to deepen our ties with the community. In addition, antenna shops in partnership with local governments provide information on local specialties and tourism.

Iwate Prefecture **Morinou Melon Bread**

We jointly developed this bread with Morioka Agricultural ("Morinou" in short) High School. The bread uses Iwate wheat, sandwiches wild grape jam and whipped cream with milk. The shape is inspired by Morinou's school emblem.



Aichi Prefecture **Gamagori Mikan Sandwich**

A dessert-like and gorgeous-looking fruit sandwich is made with large pieces of "Gamagori Mikan" mandarin oranges and rich cream.



Ehime Prefecture **Mixed Rice Ball Naked Barley Ume Hijiki**

Ehime Prefecture is the largest producer of "naked barley" in Japan, and it has a crunchy texture and savory taste. Crunchy ume plums and Matsuyama hijiki are combined.



Hokkaido **Hidaka Kelp Soy Sauce Grilled Rice Ball**

These grilled rice balls are made with "Tomoe brand's Hidaka Kelp Shoyu (soy sauce)," which is popular in Hokkaido. It has a rich soy sauce flavor with a delicious taste. The rice used in this product is Hokkaido-grown rice.



Niigata Prefecture **Lawson Farm Niigata Koshihikari Rice Ball Boxed Meal**

The "first Koshihikari rice of the year," harvested in Lawson Farm Niigata and characterized by a good balance of sweetness and fragrance, is used. The set includes a salted rice ball and a grilled salmon rice ball marinated in "Jiman Murasaki-Shoyu (soy sauce)" from Niigata Prefecture.



Osaka Prefecture **Rice Ball with Fried Rice Using Onions from Senshu**

This rice ball is made by simply using onions and eggs as ingredients, so you can fully enjoy the taste and texture of "onions made in Senshu."



Kumamoto Prefecture **Kumamoto Akaushi Beef Rice Ball (with Wasabi)**

These rice balls are made from "Kumamoto Akaushi Beef," characterized by its delicious lean meat and good balance of fat. It has an elegant taste with wasabi.



Deployment of local governments' antenna shops



As part of the comprehensive regional agreements with local governments, we operate antenna shops for "tourism promotion" and "sales expansion of local commodities/food materials." The antenna shops of five local governments are operated in seven LAWSON stores throughout the year (as of the end of July 2021).



The "warm and freshly made taste" born through repeated trial and error is loved by many fans.

Fumiki Mizushima

General Manager
Daily Foods and In-Store Kitchen Dept.
Merchandising Division
Lawson, Inc.



We began full-scale development of the "Machikado Chubo" in-store cooking service in 2013 through repeated trial and error. It started with four stores but has now grown to 6,700 stores.* Among the various products we offer, "Thick-Sliced Sangenton Pork Cutlet Sandwich" and "Rice Topped with Fried Chicken Served in a Box" are very popular because of the quality that is only available by in-store cooking. We also launched products in collaboration with food service companies, such as the Kushikatsu Tanaka's Sauce Pork Cutlet Rice Bowl, to make it easier to enjoy the taste of specialty restaurants. From now on, we are planning to develop products in each region based on the opinions of franchise store owners and crew members who are well aware of the needs of the community and customers. Currently, we are developing new products like the "Obihiro pork rice bowl" every month that meet the region's needs as a local rice bowl. With the key phrase, "As we have an in-store kitchen, let's do what we can," we would like to make many customers aware of the value of Machikado Chubo and develop it into a product service that will be loved for many years to come.

* As of the end of June 2021



Thick-Sliced Sangenton Pork Cutlet Sandwich



Rice Topped with Fried Chicken Served in a Box



Kushikatsu Tanaka's Sauce Pork Cutlet Rice Bowl (Sangenton Pork Loin)



Lawson's Way 2
Speak out your ideas to take action.



Surprise "Whew!" discoveries

The basis of deliciousness is quality and scrupulous attention to society and the environment.

Coffee brewed at MACHI café uses beans only from farms that consider not only the quality of the beans, but also the workers and the environment. Also, LAWSON Farms prepare healthy soils to protect the environment and produce safe and delicious vegetables and fruits.



MACHI café celebrates 10 years since its birth. Continuing to provide high quality coffee with attention to beans and roasting



Using only specially-selected coffee beans including ripened coffee beans harvested in Ipanema, Brazil



Different types of coffee beans are blended after being roasted in a way appropriate for each type



Fresh milk rich and sweet in taste is 100% used

The hot coffee in the freshly brewed coffee service "MACHI café" is made from Arabica coffee beans from designated farms or production regions in the four countries* that can fully manage the entire process from production to delivery for every single coffee bean. As such, customers can enjoy scrumptiously sour and fruity tastes with a sweet and mild texture of high quality. In addition, various coffee beans are blended after being roasted appropriately for each type to maximize the taste and aroma specific to the bean (post-mixing method). Fresh milk² is only used for café latte so that its rich and sweet taste can be accentuated when being mixed with coffee.

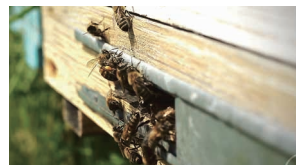
*1 Beans for café latte and iced coffee are from five countries. *2 Heat-sterilized fresh milk



Sourcing coffee from Rainforest Alliance Certified farms for a better world for people and nature



Coffee See ra.org/ja for details



MACHI café uses only coffee beans from Rainforest Alliance Certified farms that promote human rights of farmers and workers, protect biodiversity, and use farming methods which protect natural resources and the environment.* The Ipanema plantation in Brazil is working to improve the working conditions of plantation workers and support the education of children. The farm has also created a nature reserve within the site to protect the lush nature. For example, more than 160 beehives have been set up to promote the pollination of various native plants and increase biodiversity.

* The Single Origin Series and Decaffeinated Series are out of the scope.



LAWSON Farms for people's healthy eating habits

We have deployed Corporation Qualified to Own Cropland LAWSON Farms in 17 locations across Japan (as of the end of May 2021) to ensure a stable supply of fruits and vegetables to Lawson Group stores, and support customers' healthy eating habits. Each LAWSON Farm conducts a soil analysis before planting to prepare healthy soil ideal for growing crops. They produce wholesome tasty fruits and vegetables based on the "Nakashima method" that focuses on giving appropriate nutrition to each crop in accordance with growth. We also strive to secure sustainability in such areas as quality improvement, food safety, and environmental preservation by conducting initiatives to receive "GAP certifications (JGAP and ASIAGAP)."

Also, we are making effective use of agricultural products by processing "vegetables with imperfections," which are usually discarded without being sold in stores, and using them in salads and pickles.



List of Nakashima method certified food items by LAWSON Farm

Name of Farm	Certified Item
LAWSON Farm Chiba	Japanese Mustard Spinach, Japanese Radish, Carrot, Cabbage
LAWSON Farm Yamanashi	Peach, Kyoho Grape
LAWSON Farm Aichi	Cabbage
LAWSON Farm Hyogo	Onion
LAWSON Farm Tottori	Japanese Radish
LAWSON Farm Ichikikushikino	Lettuce
LAWSON Farm Satsuma	Cabbage



Responding to the need for bulk purchases. Developing and selling ready-to-eat frozen desserts



Apple Pie



Tiramisu



Dried Fruit and Nut Cassata

We are advancing the "post-new normal" product development that adds elements of "health," "environmental friendliness," and "lifestyle support" based on our responses to the "new normal" that have been on demand up to now. For example, we have developed and marketed frozen desserts that people can eat right out of the freezer without the need to defrost. We have met the increasing demand for frozen foods as stay-at-home and other restrictions have led people to buy in bulk in a single shopping trip. The product can also be stored for a long period of time, leading to a reduction in food waste.



Expanding the handling of FSC® certified products that help take care of forests

We promote the handling of products and the use of containers and packaging made from materials with "FSC® certification," based on FSC's standard for responsible sourcing. We are using these materials for our original paper cups, paper plates, and beverage paper cartons. We are planning to expand the use in the future and continue our efforts to handle products and procure raw materials in an environmentally-friendly and sustainable manner.

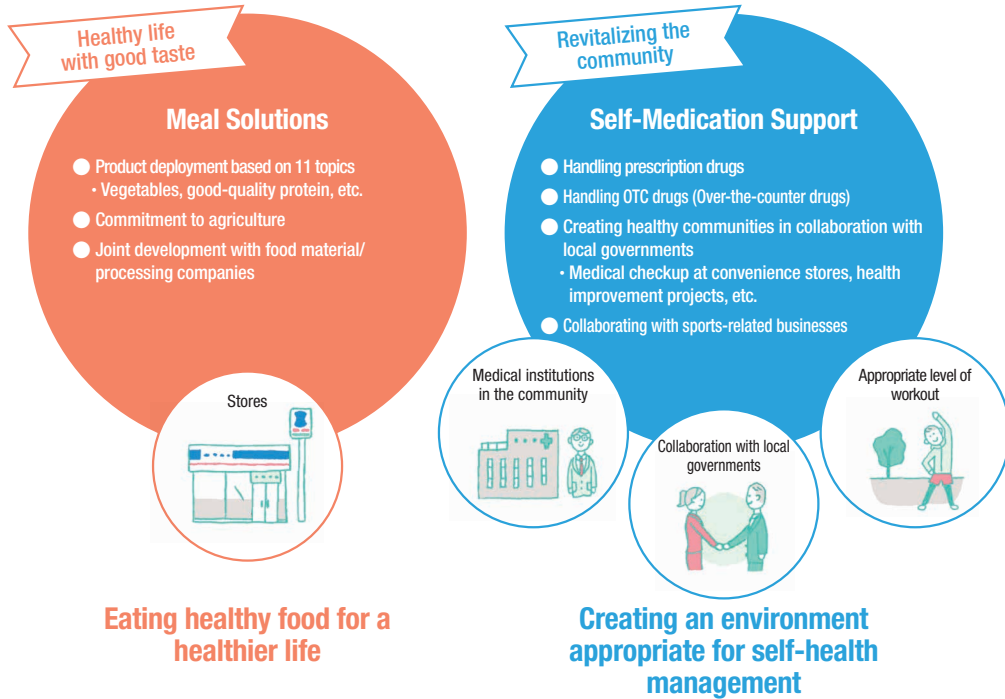


Surprise 'Whew!' happiness

Helping people eat deliciously and improve their eating habits for healthy lives.

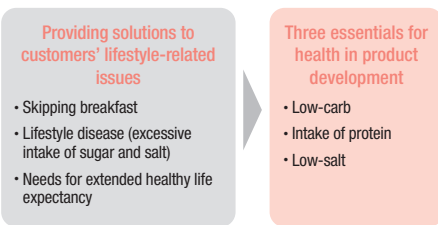
We support people to live healthily by providing "delicious and healthy meals" such as low-carb/low-calorie bread and low-salt and additive-reduced boxed meals and offering consultation services about their health and handling of prescription drugs.

Aiming to become a "leading regional health store," Lawson conducts initiatives to improve people's health in the community. We continue to help people in the community enjoy long and healthy lives under the two pillars. One is "meal solutions" for improving people's physical health through daily eating habits. The other is "self-medication support" for helping customers maintain good health by offering consultation services to those concerned about their health if necessary.



Health improvement initiatives through product development

We develop and sell products focusing on "low-salt," "low-carb," and "intake of protein," all of which provide solutions to customers' lifestyle-related issues, aiming to realize "something more delicious."



"Kara-age Kun" celebrates its 35th anniversary. It is made with domestically produced broiler chicken breast and is Locabo.*1



The "Kara-age Kun" series marked the 35th anniversary of the launch on April 15, 2021. We strengthen our initiatives for the "safety and security" of food by using 100% domestically produced broiler chicken breast and wheat² and ensuring that products are produced at domestic plants with quality management systems in place. Kara-age Kun Regular (5 pieces) has a sugar content of 1.6g per piece (8g for 5 pieces) and a protein content of 2.8g (14g for 5 pieces).

*1 "Locabo" is a registered trademark of the Eat & Fun Health Association. Some products are not certified as Locabo.
*2 Foreign wheat is used on the same line during flour production, and there is a possibility of contamination.

Supporting health by providing products that include protein and fiber while controlling carbohydrate intake

We offer health-focused products such as low-carb rice balls with strict attention to tastiness using "soy protein" and "sticky barley," and bakery products that make it easy to consume protein. Also, regarding NATURAL LAWSON's products developed with specially selected materials under the concept of beauty and health, we support customers' healthy lives by offering unique products that focus on the flavor of the food and pay attention to nutritional balance and health.

Rice Balls with Salmon and Wakame Seaweed Cooked with Kombu-dashi Broth



We reduced the amount of rice and added soy protein and sticky barley instead, cutting the sugar content by about 37% (compared to the 2020 edition of the Standard Tables of Food Composition in Japan, "Rice Ball (Uruchi Rice)" without ingredients).

NL 2 Pieces of Sticky Barley Milk Ball



Milk cream is infused into the chunky dough containing sticky barley flour. It is not only low in carbohydrates, but it also contains dietary fiber.

NL 2 Pieces of Bran Bread



Bran is used for this product. It contains many nutrients such as dietary fiber, and the sugar content is low compared with wheat.

NL Green Smoothie 200g



It contains 118g of 12 kinds of vegetables (per meal)* including kale and peucedanum japonicum and is made easy to drink with the touch of apple and lemon.

* Daily intake target: 350g or more (from the Ministry of Health, Labour and Welfare's "Healthy Japan 21")

Lawson's Way 4

Value your friends to become one.

Surprise 'Whew!' happiness

Becoming a health hub to revitalize the community.

We widely support the healthy lives of people living in the community through various initiatives in response to changing social conditions, such as support for medical professionals and face-to-face consultation for vaccination appointments.



Because the store is located inside a hospital, we need to be the most energetic and relaxing place.



Mr. Toshiaki Suzuki

Owner
NATURAL LAWSON
Toritsu Komagome Byoin Store

In running a store in a hospital, I always try to make NATURAL LAWSON the liveliest place in the hospital. Since it is in a hospital, one tends to think it should be as quiet as possible to avoid disturbing the main customers: patients, doctors, and nurses. Rather, I believe that a hospital is a place where people become energized and have hopes of becoming healthy, so I want customers to casually and happily shop at my store. I ask all crew members to be aware of creating a store that makes people feel at ease when they come here. We are currently facing many difficulties in responding to the COVID-19 pandemic but I engage with each crew member as much as I can and tell them to "make things lively even under such circumstances," "enjoy your work," and "satisfy customers." With this in mind, with a positive attitude and hope, I would like to overcome the current difficult situation together with the people of the hospital.



Store entrance



A wide selection of products unique to stores in hospitals, including nursing supplies and belly bands



**Supporting healthcare workers in Japan
Donating based on the number of sales
of MACHI café**



We donated 4,646,827 yen to the Japanese Nursing Association based on MACHI café sales to support healthcare workers.



**Helping with vaccination
appointments at Care LAWSON**



For elderly people having trouble making reservations for vaccinations against the new coronavirus, we assisted them at the consultation counter of Care LAWSON (some stores) with making reservations by providing terminal input support, etc.



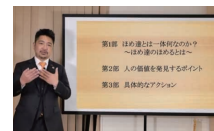
Enhancement of the sales of OTC drugs. Supporting the health of the community



Healthcare LAWSON stores have received favorable responses since they offer a wide range of items including OTC (over-the-counter) drugs and beauty products, while registered sales clerks are available on the sales floor to provide consultations about medicines. Also, we have opened stores with dispensing pharmacies in collaboration with major dispensing pharmacy chains QOL Co., Ltd. and Miz Co., Ltd., which operates dispensing pharmacies and drugstores in Saga and Fukuoka prefectures. In response to the COVID-19 pandemic, we also offer online medication guidance and experiment with prescription pickup. We are the first company to start selling OTC medicines on "Uber Eats" in Japan. We carry about 50 types of second-and third-class pharmaceutical products such as cold medicine, eye drops, and stomach medicine.



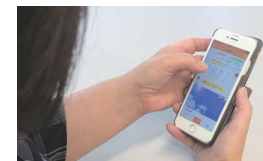
**Online seminars to help owners
improve their health**



As one of the welfare menus of the Lawson Owners Welfare Association, we hold seminars supporting health enhancement. The seminars have been held online/on-demand from 2020 due to the COVID-19 pandemic.



**Promoting health and communication
among Headquarters' employees**



The "Shinkansen Walking" program was implemented as a sports event for Headquarters' employees using a cell phone app. It sets daily targets for the number of steps walked on each course based on the distance of the bullet train route, and teams walked together every day to improve their health and stimulate communication among employees.

Surprise 'Whew!' happiness

We are striving to create a store that values not only customers, but also employees.

We are promoting various services and support, such as customer-operated registers and microwave ovens, that are easy for customers to use and for employees to work.

8 DECENT WORK AND ECONOMIC GROWTH Introduction of FC owner support system

We obtained approval for a temporary staffing business to support franchise owners in 2020 and introduced the "Owner Support System" in September. When franchise owners have ceremonial weddings, funerals, or refreshing vacations, we dispatch our Headquarters' employees to take care of store operations on their behalf. Approximately 60 Headquarters' employees are assigned to eight locations nationwide to support franchise store owners who take vacations.

8 DECENT WORK AND ECONOMIC GROWTH Introducing "matchbox," a one-off human resources recruitment service



On April 1, 2021, we introduced "matchbox," a one-off human resources recruitment service by our affiliate Lawson Staff, Inc. for LAWSON stores across Japan. This service allows stores to freely post job openings online at their discretion, matching and hiring

human resources on a one-off basis for shifts during understaffed hours or in the event of sudden absences.

8 DECENT WORK AND ECONOMIC GROWTH Holding area meetings online

Triggered by the spread of the COVID-19, area meetings, which were conventionally held in a group to share information between branches and FC owners, are now convened online. Participants share details of sales activities planned for the following month as well as of their past successes, or exchange opinions to help individual stores improve their management capabilities.

We will continue to promote communication between the Headquarters and franchise stores by identifying and applying the good points of online and face-to-face communication.

Creating a mechanism for information sharing and direct dialogue with franchise stores

"Lawson seminars" which share the Company's policies and directions with the franchise stores to strengthen its partnerships with franchise stores and "area meetings" where franchise owners share successes or operational plans are convened (held online from 2020). Lawson has established many systems by enabling members of the Board of Directors, including the President, to communicate directly with franchise stores to heed feedback from the field, which is the most important for us. We aim to become a group of franchise stores and Headquarters that work together to create happiness and harmony in our communities through these efforts.

8 DECENT WORK AND ECONOMIC GROWTH Promoting utilization of a textbook for new store crew



We created a textbook titled: "The Guide for Working at Lawson for the First Time," to train new store crew members (part-time workers). It focuses on basic store rules to learn at their initial stages and customer services including cash register operation work. Furthermore, we hold "human resources development workshops" for those who play the trainer role to new crew such as franchise owners, store managers, and crew leaders. We support store crews so that they can actively and cheerfully work at the same store for a long time to come.

8 DECENT WORK AND ECONOMIC GROWTH Deploying customer-operated registers nationwide



POS cash registers installed in stores across Japan can be replaced with customer-operated cashless registers. We respond to customer requests that they want to decrease the opportunity

to come into contact with other people under the COVID-19 pandemic or that they want to operate by themselves. This register is available at about 6,300 stores* as of the end of June 2021.

* The operating hours and numbers of customer-operated cashless registers differ from store to store.

8 DECENT WORK AND ECONOMIC GROWTH Changing customer service for handling microwave and fast-food product equipment to self-service



We implement the initiative to change the customer service for handling microwave and fast-food product equipment to self-service at some stores. While responding to customer needs that "I want to warm my meal based on my preference," and "I want to select and pick up any product I want during busy times," crew staff can save steps to receive orders, leading to a decrease in their working hours.



SDGs Initiatives highlights

Offering deliciousness

Becoming a health hub for people and the community

Promoting environmentally-friendly lives

Surprise 'Whew!' happiness

A watch station for the safety of all people from children to the elderly in the community

Lawson supports people in the community by conducting various activities such as fund-raising campaigns for realizing children's dreams, social experience programs, and initiatives to strengthen the safety and security of the community.

Lawson Group 'Happiness in Communities' Fundraising
- Creating a better future for children -



17 PARTNERSHIPS FOR THE GOALS

Social contribution activities delivering customers' goodwill

15 **SDG 15** **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 support forest improvement projects led by voluntary organizations. The number of projects participated by franchise owners and others is 1,611 (as of the end of February 2021).



1 **SDG 1** **"Support Dreams Fund" (Scholarship program for children from single-parent families)**

Organization receiving donations
National Federation of Single Parents and Children's Welfare Associations in Japan

This scholarship program supports children in single-parent families who wish to realize their dreams. 30,000 yen is provided to 400 students from third year of junior high school to third year of high school on a monthly basis.



4 **SDG 4** **"Dream Classes" Fund**

Organization receiving donations
Japan Football Association

We support the "Dream Classes" where athletes talk to children about the importance of having a dream since 2019. Approximately 1,260 students of 42 classes in 22 schools have participated in 2020.



Utilizing the "Lawson Green Fund" to produce videos for children to enjoy

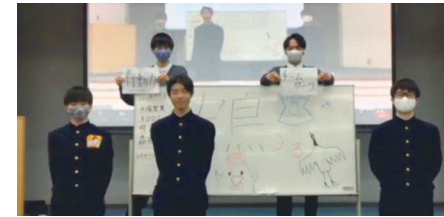
We are making a video to introduce our forest maintenance activities and the role of forests to children and customers. While social volunteer activities have been postponed or canceled due to the COVID-19 pandemic, the feeling of participating in actual activities can be simulated and enjoyed.

For details:




"Ponta and Rico's Summer Vacation Adventure!" created in August 2021

4 **SDG 4** **Cooperating with an internship simulation program* which junior and high school students work on in class**




Comment
In this internship simulation program, each team member was able to express their own opinions and worked seriously. It was exciting and fun to see our ideas take shape. Thank you.
The first-year "Tsuru (crane)" team from Konan High School, winner of the Lawson Award (for FY2020)

A learning program in which junior high school and high school students playing the roles of interns working at a company complete the assignment provided. The challenge they receive is a real one in which Lawson is engaged. We provide support in real-time by communicating with them online.

* The internship simulation program is run by Twice Research Institute, Co., Ltd.


4 **SDG 4** **Holding career mentoring program**
Career development support for high school students in the Tohoku region

We provide support for the "TOMODACHI High School Women Career Mentoring Program," a career development program for female students in the Tohoku region. In 2020, the program expanded the participants to first- and second-year high school students of three prefectures in the Tohoku region (Iwate, Miyagi, and Fukushima) and was held online.



4 **SDG 4** **Sendai Mock store in Student City***

We set up a booth at the city's work experience facility. Children experience cash register operation, stocking the shelves, and sales data aggregation as part of the class program. The program fosters social independence by discussing and resolving issues that arise in the workplace. Approximately 8,600 elementary school students from 114 schools will experience the program at the facility in 2021.



* "Student City" is an experiential economic education program owned by the public interest incorporated association Junior Achievement Japan.

11 **SDG 11** **Participation in Safety Station activities**

Lawson actively participates in Safety Station activities led by the Japan Franchise Association (JFA) to promote the initiatives to create a healthy environment for juveniles to grow in addition to providing support for "realizing a safe and secure community."

● Lawson's Safety Station activity data for 2020

Safeguard elderly people:	Emergency response for females	Scam (billing fraud) prevention:
2,615 stores	1,353 stores	2,319 stores
Encouraging juveniles to go home during the midnight hours:	Emergency response for children	
7,837 stores	707 stores	

Source: Lawson's data excerpted from JFA's questionnaire for franchise owners and store managers in 2019



Surprise 'Whew!' kindness

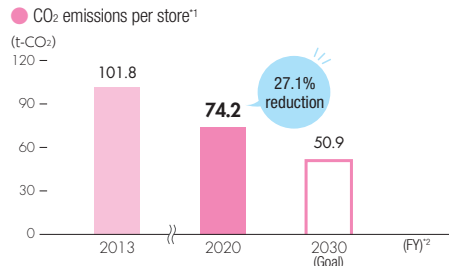
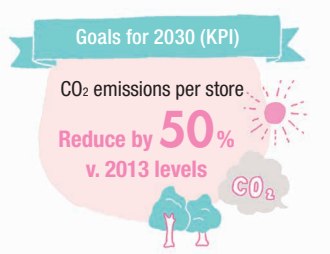
Promoting environmentally-friendly lives "Surprise 'Whew!' kindness project"

Lawson launched the "Surprise 'Whew!' kindness project" to promote initiatives responding to environmental issues such as reducing CO₂ emissions, food waste, and plastic use for packaging/shopping bags to achieve the goals for 2030 and 2050 (KPI).



Reducing CO₂ emissions Reducing food waste Reducing plastic use

In conjunction with the Japanese government's raising of the target for reducing greenhouse gas emissions by 2030, Lawson has also revised its goal for reducing CO₂ emissions by 2030 upward from 30% to 50%. To achieve the goal, we are working to reduce electricity consumption in our stores.



*1 As for the data used to calculate CO₂ emissions, the "CO₂ Emission Coefficients by Electric Power Company" were used.
*2 Calculated from April 1 to March 31 of the following year to coincide with the administrative fiscal year

Installation of energy-saving and energy-creating systems



Lawson began to employ CFC-free (CO₂/HC refrigerants-based) refrigeration/freezing systems

in 2010. Approximately 4,200 stores have installed the systems (as of the end of March 2021). These systems use CO₂ refrigerants whose impact on global warming is lower than CFCs, and therefore can materially reduce greenhouse gas emissions. Also, we installed solar power generation systems at approximately 240 stores across Japan, with all 12kW used for in-store consumption in 2020. We will continue to install solar power generation systems for our consumption aggressively.

Ten Energy-saving Rules

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

- 1 Clean refrigerator and air conditioner filters once a week
- 2 Keep air conditioner temperature settings at 27°C in summer, 18°C in winter, and OFF in spring and autumn
- 3 Minimize the time for which doors to walk-in and storage freezers and refrigerators are open while moving products in and out
- 4 Keep the area around outdoor units of refrigerators and air conditioners neat and tidy
- 5 Restock summer products that are frozen in-store from stocks that have been refrigerated
- 6 Restock hot drinks with products that have been stored at room temperature
- 7 Do not overfill storage freezers and refrigerators
- 8 Turn off lighting and air conditioning in back rooms and storage areas when no one is present
- 9 Arrange products so that they do not disturb the air curtain on open cases
- 10 Minimize the number of times storage freezers and refrigerators are opened

Reducing CO₂ emissions from delivery trucks



From December 2020, three convenience store operators, Toyota Motor Corporation, and Hino Motors, Ltd. have jointly launched an initiative to introduce light-duty fuel cell trucks. From July 2021, we will conduct a demonstration experiment with one truck in Tokyo to identify issues in refueling, delivery, and unloading operations.

CO₂ emissions generated by our supply chain for FY2020*

Categories	Details	CO ₂ emissions (kt-CO ₂)
Scope 1 (Direct emissions)	Gasoline consumption of company vehicles	4.3
Scope 2 (Indirect emissions)	Electricity consumption of the Headquarters, regional offices, branches, and stores	980.7
Scope 3 (Other indirect emissions)	Raw materials purchased (Private and national brand products, plastic shopping bags, etc.)	4025.7
	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 trips of Lawson Headquarters' employees	0.9
	Disposal of containers, chopsticks, and plastic shopping bags	23.8
Total		5,301.9

* It does not cover all of Lawson's supply chain. Scope 2 includes electricity consumption by stores from 2020.

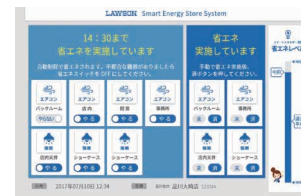
Promoting the introduction of energy-saving and energy-creating devices and expanding the number of energy-efficient stores throughout Japan

Yu Shimizu

Assistant Manager
Store Construction Dept., Corporate Sales and Store Development Division
Lawson, Inc.



We have opened and verified an environmentally-friendly model store that incorporates cutting-edge technologies. Going forward, we would like to introduce highly energy-efficient equipment based on the knowledge gained from the eco-friendly model store. Then, we will create and deploy a standard model store with high energy efficiency by adopting an energy management system that visualizes electricity usage and controls IoT-based store equipment.



Energy management screen image



Solar power generation systems



Surprise 'Whew!' kindness

Reducing plastic to solve problems such as marine plastic waste

Plastic is a handy material essential for our lives, but environmental problems are caused by plastic waste. Lawson strives to reduce use for plastic shopping bags, PET bottles, and plastic containers to address the issues.



Promoting the reduction of plastic shopping bags as well as the widespread use of portable shopping bags

Effective July 1, 2020, it is mandatory for stores to charge for plastic shopping bags as part of preserving the global environment. Lawson strives to reduce plastic use by charging for plastic shopping bags and using plastic containing plant-derived materials by 30% in response to this movement.

Also, we have promoted the use of portable and reusable shopping bags since 2007. As a result of these efforts, the shopping bag refusal rate at the end of February 2021 reached 74.9%. We donated a portion of the proceeds from the shopping bags at our company-operated stores to the

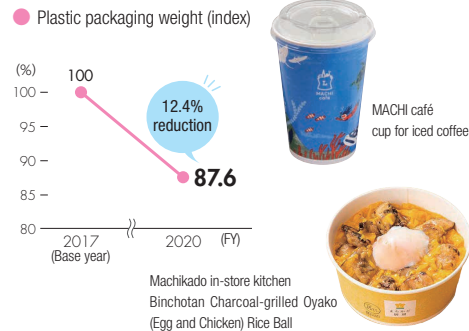
Japan Food Bank Promotion Group in the form of rice. The donated rice will be provided to families in need of food aid as part of our efforts to support children's diets.



* The plastic shopping bag consumption rate is as of the end of February 2021.

Reduction of plastic use for packaging

We strive to replace plastic packaging items with paper ones or utilize plant-based plastic to reduce the volume of plastic waste while retaining the taste and quality of our original products. We switched to paper cups for MACHI café iced coffee and others in 2020. Since the beginning, MACHI café has offered a 10-yen discount on the regular price* if customers bring their tumblers to reduce plastic.



* Not applicable to self-service stores

Start of a demonstration experiment to install "PET Bottle Volume Reduction and Collection Machine" in cooperation with the Kirin Group



PET Bottle Volume Reduction and Collection Machine

Collecting PET bottles

In collaboration with Kirin Holdings Co., Ltd. and Kirin Beverage Co., Ltd., we started a demonstration experiment to collect used PET bottle containers at the LAWSON Yokohama Shinkoyasu Store from July 2021 intending to promote the recycling of PET bottles. By collecting PET bottles brought by customers from their homes and using Kirin Beverage Co., Ltd.'s vending machine operation route to pick up the collected PET bottles, we aim to reduce the amount of plastic, improve the efficiency of transportation, and reduce CO₂ and other environmental burdens.

Shifting the idea from "reducing the amount" of plastic containers used to "not using them." It is where the concept of selling by weight was born.

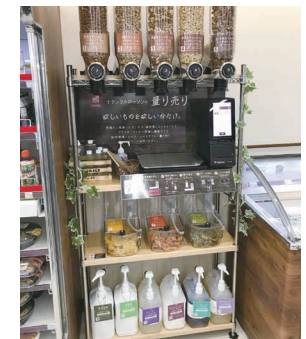
Hiroko Washizu

General Manager
Natural Lawson Merchandising Dept.
Merchandising Division
Lawson, Inc.



Selling by weight is a way to avoid using wasteful plastic containers. Currently, we sell detergent, shampoo, and other toiletries. Many people are sympathetic to our environmentally-friendly, non-wasteful products sold by weight, and the number of new customers who come to our stores because of our products sold by weight is increasing. From July 2021, we have added dried fruits and nuts to the product lineup, and expanded the number of stores selling them from five to ten. We have received positive feedback from customers, such as "I wish that nearby stores would sell by weight," and "It is good to be able to buy in small quantities." We have achieved the initial goal of introducing weighted sales to reduce plastic by about 10 kg in one month.

Also, we work to further reduce plastic by conducting a demonstration experiment in which we provide wooden spoons and disposable chopsticks in paper bags for three months starting August 2021.



Start of selling dried fruits and nuts by weight in addition to detergents and shampoos

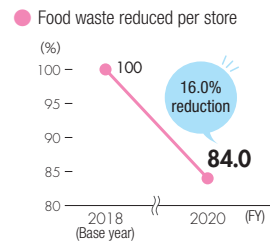


Wooden spoons and disposable chopsticks in paper bags

Surprise 'Whew!' kindness

Working to reduce food waste, which also supports people living in the community

In order to reduce wasteful food disposal, we are conducting food donations and other activities while taking various measures to decrease the number of such products.



1 **Donating the surplus stock of original products to those who need food aid**

Lawson has periodically donated to the Japan Food Bank Promotion Group original sweet products, processed foods, etc.* that missed the delivery deadlines to stores since August 2019. We are also expanding our efforts to donate chilled items such as Christmas cakes during the Christmas season in December 2020. We are also expanding the number of recipients of our donations. We have

donated private brand products and original Ponta goods through "Kodomo-Takushoku-Ouendan" (A food delivery program for children and families in Japan). Moreover, we started a new trial in which we deliver free coupons that can be exchanged for boxed meals to the users of the food delivery program and have them pick them up directly at stores. We have provided boxed meals and cooked noodles developed in collaboration between Lawson and food service companies.

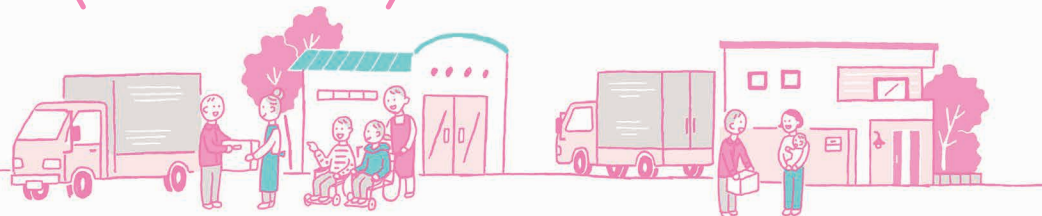
* We have set aside a certain amount of time for the expiration date.



Japanese Chestnut Mont Blanc Premium Hamburger



Food delivery program for children Ponta goods Miso soup



12 **Promoting the recycle of unsold food products**

The daily volume of unsold food products and the food oil (oil waste) used for deep-fried food products is 5.5 kg and 2.4 kg, respectively at one LAWSON store.

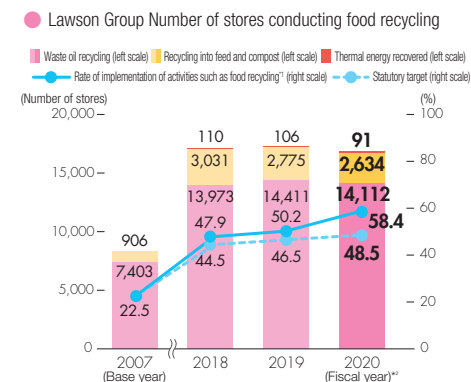
In order to reduce food waste, we optimize the number of purchases, offer discounts to sell off, and deliver unsold food products to recycle plants to have them recycled for feedstuffs or fertilizers. We also recycle oil waste for nutritional additives to feedstuffs, biodiesel, etc.

12 **Offering discounts to "sell off"**

As part of our efforts to reduce unsold products in our stores, we encourage discount sales by using discount keys on POS cash registers and discount stickers registered as consumables. About 80% of all stores offer discounted sales of ready-made meals, which have a short shelf life, fast foods prepared in-store, and in-store kitchens' products (FY2020 results).

12 **Chilled boxed meals, which retain freshness and original flavor, help reduce food waste**

We have launched the "Korega" boxed meal series by chilling (displayed and sold at a temperature of around 5°C) our standard products, such as Tatsuta-age fried chicken boxed meals and beef hamburger boxed meals kept at room temperature (displayed and sold at a temperature of around 20°C). Chilling the food maintains the freshness of the ingredients longer, offering the original flavor and reducing food waste by extending the time of sale at the store.



*1 The food recycling ratio does not include Lawson Okinawa, Inc., Lawson Minamikyushu Inc., Lawson Kochi, Inc.
*2 Calculated from April 1 to March 31 of the following year to coincide with the administrative fiscal year



Sendagaya 1-chome Store



"Korega" Tatsuta-age Fried Chicken Boxed Meal "Korega" Beef Hamburger Boxed Meal

Surprise 'Whew!' kindness

From daily life to times of disaster, we are always thinking about the safety, security, and convenience of our customers.

We support the daily lives of our customers with deliveries, mobile sales, Lawson Bank's ATMs, and other services. In times of disaster, we support the safety and security of people living in the community as a lifeline.

11 SUSTAINABLE GOALS AND COMMENTS Preparation for and response to large-scale disasters



As part of our disaster preparedness, we have prepared an emergency manual and focus on confirming the safety of our FC owners and crews and Headquarters' employees. We conduct disaster drills

three times a year to experience activities such as disaster message dialing and our safety confirmation system to respond smoothly. In the event of a disaster, we will set up disaster relief headquarters at three locations: the Headquarters, regional offices, and branches responsible for the affected area to restore stores and resume operations as soon as possible.

In the event of a major disaster, we deliver donations received from all over Japan.



In the event of a major disaster, our store fundraising can be temporarily switched to disaster fundraising and can help to deliver the goodwill of customers across Japan to those who suffered from the disaster. We deliver goodwill received through disaster relief headquarters in the regions and the Japanese Red Cross Society.

As part of our disaster preparedness, we have prepared an emergency manual and focus on confirming the safety of our FC owners and crews and Headquarters' employees. We conduct disaster drills

11 SUSTAINABLE GOALS AND COMMENTS Cooperation with local governments at times of disaster

As a "community lifeline," Lawson is exploring opportunities to obtain agreements to cooperate with local governments and some public institutions in times of disaster, concerning the provision of supplies and assistance to stranded commuters.

Entities concluding agreements on the provision of goods in times of disaster

- Local governments: 47 prefectures, 23 cities, and wards
- Mass transit systems: 11
- Electric power companies: 4
- Others: Tokyo Fire Department, Japan Ground Self-Defense Force, and fuel companies

Entities concluding agreements on assistance to stranded commuters

- Local governments: 43 prefectures, and 10 ordinance designated cities
- (As of the end of February 2021)

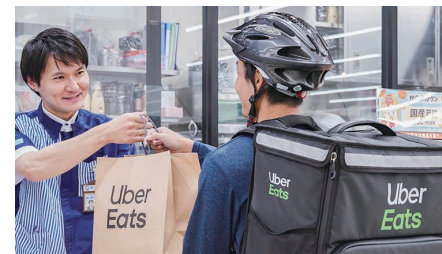
11 SUSTAINABLE GOALS AND COMMENTS Initiatives of infection control measures at stores during the COVID-19 pandemic



Lawson is working to prevent COVID-19 infections to ensure that

customers can shop with peace of mind and that store employees are safe. In addition to employees wearing masks, we have installed vinyl sheets at checkout counters and alcohol-based hand disinfectant dispensers, used trays when giving and receiving money, and implemented thorough store interior ventilation.

11 SUSTAINABLE GOALS AND COMMENTS Expansion of delivery services



Lawson became Japan's first convenience store chain to launch the "Uber Eats" service at some stores in August 2019. Approximately 350 types of products such as boxed meals, rice balls, deep-fried food products cooked at the in-store kitchen, and desserts are available for this service. In Japan's "Uber Eats," we are the only operator handling OTC drugs (introduced in some stores) as of the end of May 2021. With the launch of "foodpanda" and "Wolt" services, the number of stores offering delivery services has increased to approximately 1,900 stores in 30 prefectures (as of the end of June 2021).

11 SUSTAINABLE GOALS AND COMMENTS Expansion of "SMARI box," a simple-to-operate package shipping service



As the number of auction sites and flea market apps grows, we are expanding the installation of "SMARI box," a service that uses our existing logistics network to ship packages without face-to-face contact. As of the end of June 2021, we had installed "SMARI box" in approximately 3,000 stores, handling two types of parcels: a service that accepts returns of e-commerce products and rental services and an "e-shipping service" that ships items for auction sites and flea market apps.

11 SUSTAINABLE GOALS AND COMMENTS Visiting elderly people's facilities by mobile sales



We visit elderly facilities, companies, factories, etc., where people have difficulty visiting stores, by mobile sales vehicles to sell food and daily necessities. We also provide a "community watch service," which offers mobile sales services to areas where shopping is difficult and communicate with senior people in collaboration with local governments and others.

11 SUSTAINABLE GOALS AND COMMENTS Accepting cash charges for "PayPay" at Lawson Bank's ATMs



With almost all bank cards including major banks, local banks, and Internet banks, customers can withdraw cash from their bank accounts, or perform other activities using Lawson Bank's ATM services available at LAWSON stores. (The number of our financial institution partners is 377 as of the end of June 2021.) Also, cash charges to the cashless payment service "PayPay" are available 24 hours a day, 365 days a year as a rule, with no deposit fees from April 2021.