

Materiality for Creating Happiness in Our Communities

Contribution to the Sustainable Development Goals (SDGs)

The Lawson Group's approach to contributing to the SDGs

The Lawson Group believes that striving to realize the Three Promises to become the hub of refreshment in every community based on its Group philosophy, "Creating Happiness and Harmony in Our Communities," ultimately promotes the Sustainable Development Goals (SDGs). With this in mind, we are working proactively to solve social issues.

Establishing systems for contributing to the SDGs and implementing PDCA cycles

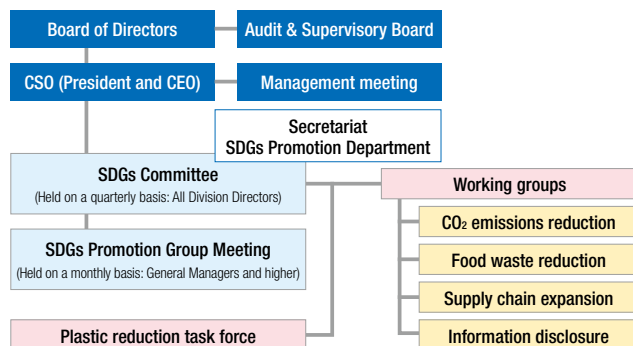
Aiming to realize a sustainable society through our business activities, we have been working to establish systems for solving social issues and implementing PDCA cycles for them, including the establishment of an SDGs Committee in March 2019.



SDGs Committee meeting

SDGs Committee Organization

(As of end of August 2021)



On March 1, 2021 the Company established the position of Chief Sustainability Officer (CSO), with the president and CEO, representative director, appointed to the position. We also established the SDGs Promotion Department as a dedicated department to further strengthen our initiatives with a new structure. In responding to issues, the SDGs Committee periodically identifies issues that align with the Three Promises and shares the progress of the entire Group, while each division conducts self-directed initiatives in its own business activities.

Furthermore, we have established working groups under the SDGs committee to strengthen our initiatives on key issues that require a quick response; namely, CO₂ emissions reduction, food loss reduction, plastic reduction, supply chain expansion, and information disclosure.

Identification of material issues (materiality)

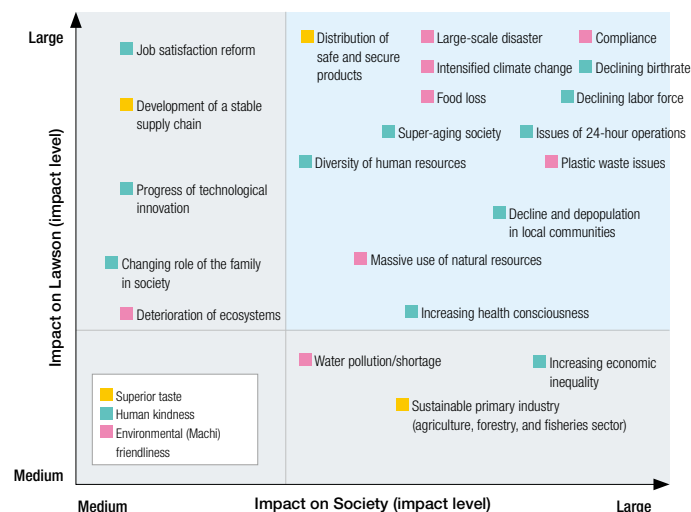
We classify our activities with respect to Lawson's value chain into six categories based on the Three Promises to customers enumerated in our business policy, and in consideration of pertinent social issues and circumstances. We make decisions from the customer's point of view, with the primary emphasis on the safety and security of retailers and on social infrastructure initiatives for the retail industry.




Steps to identifying material issues

- STEP 1** In order to find issues with heavy impacts on the environment, society and economy, and then identify Lawson's own material issues, we categorized our business activities into value chain phases, such as raw materials procurement, manufacturing, and distribution and confirmed what initiative was helpful toward achieving each target or goal of the SDGs by clarifying social issues in every phase.
- STEP 2** From the social issues identified in the feedback or questionnaire results from stakeholders such as customers, franchise stores, shareholders, and institutional investors, we selected the issues with heavy impacts on society.
- STEP 3** Cross-checking the social issues identified through stakeholder feedback with those impacting heavily on Lawson, we prioritized those necessary for us to become the hub of refreshment in every community.
- STEP 4** We linked Lawson's initiatives for the specified social issues to the Three Promises, and decided our material issues.

Impacts of identified social issues



The Three Promises and Materiality

Business policy	Applicable SDGs	Material issues (materiality)	Major initiatives and services
 <p>Superior taste</p> <p>Surprise “Whew!” discoveries</p>		<p>Providing Safety/Security-oriented Overwhelmingly High Value-Added Products and Services Friendly to Society and the Environment</p>	<ul style="list-style-type: none"> • Providing high value-added private brand products • Deployment of Machikado Chubo in-store kitchens • Planning and developing locally produced products for local consumption, and spontaneously utilizing domestic ingredients • Developing and selling products under consideration of society and the environment • Deployment of LAWSON Farm agricultural products • Development of products and services in response to changes in society • Developing and operating a supply chain with consideration for society (human rights, etc.) and the environment • Conducting fair trade with suppliers
 <p>Human kindness</p> <p>Surprise “Whew!” happiness</p>		<p>Supporting Health Promotion for All People Through Products and Stores</p>	<ul style="list-style-type: none"> • Development of products with low salt, low sugar, and fortified protein • No use of preservatives and artificial colors • Creation of a pharmaceutical product sales system • Expansion of NATURAL LAWSON and HealthCare LAWSON • Promotion of health promotion partnerships with local governments • Supporting and subsidizing health initiatives for store owners and crews • Promoting health and productivity management (promoting employees’ challenge for health)
		<p>Providing Comfortable Work Environments Leading to Job Satisfaction</p>	<ul style="list-style-type: none"> • Creating a comfortable work environment for store crew • Training and retention of store crews • Introduction of an owner support system • Promoting the MO system for multiple-store management • Enhancing communication with franchise stores • Promotion of human resource diversity • Promotion of job satisfaction reforms using DX, etc. • Development and expanded use of leave for maternity, childcare, nursing, long-term care, etc. (operation of nursery school)
		<p>Supporting Women and Seniors as well as Children’s Growth</p>	<ul style="list-style-type: none"> • Maintaining Scholarship program for children from single-parent families • Promoting fund-raising programs for children’s futures (school afforestation activities, “Dream Classes”, etc.) • Creation of an environment to support children’s learning • Donation of products to facilities that require food support • Deployment of “Care-focused LAWSON for Senior Citizens” program (support for long-term care), regional revitalization events • Promoting Safety Station (SS) activities (community watch service for women, children, and seniors)
 <p>Environmental (Machi) friendliness</p> <p>Surprise “Whew!” kindness</p>		<p>Coexisting Synergistically with Communities by Serving as Part of the Social Infrastructure</p>	<ul style="list-style-type: none"> • Expansion of mobile sales and delivery services • Online product dispatch, returns, and in-store delivery pick-up services • Promotion of Lawson Bank ATM services, financial service brokerage • Government certificate issuance services • Executing comprehensive regional agreements with the local governments, promotion of partnerships • Collaboration with national and local governments to support stricken areas in the event of disaster
		<p>Sustainable Environment Preservation Activities Toward a Carbon-Free Society</p>	<ul style="list-style-type: none"> • CO₂ reduction: Promoting energy efficient stores and offices (Introducing and operating energy efficient equipment) • CO₂ reduction: Utilizing and spreading renewable energy • CO₂ reduction: Efficiency enhancement of distribution and promotion of changeover to environment-friendly trucks • Reduction of food loss: promotion of selling out stock, selling by weight, development of products with long best-before dates • Reduction of plastic waste: Reduction in amount of plastic used for containers, packaging, and sales promotion materials, etc. • Reduction of use of natural materials such as copy paper, etc.