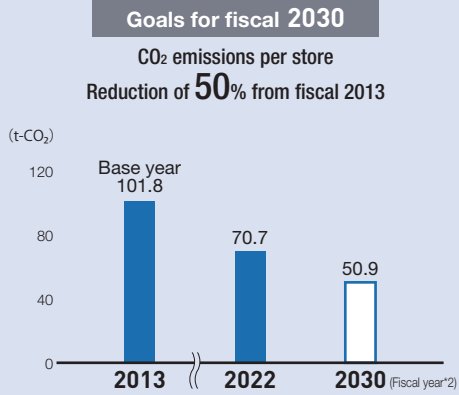
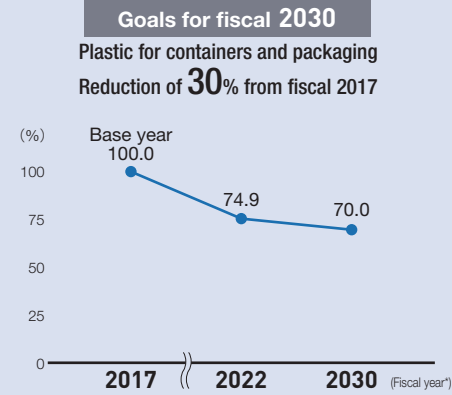


## CO<sub>2</sub> emissions per store<sup>1</sup>



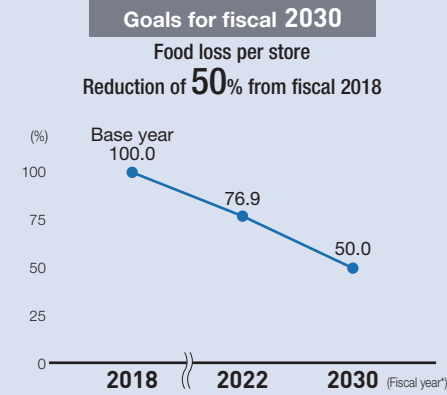
<sup>1</sup> CO<sub>2</sub> emissions are calculated using the list of emissions coefficients by electricity provider (substitute values)  
<sup>2</sup> Calculated from April 1 to March 31 of the following year to coincide with the administrative fiscal year. Reduction of 30.6% in fiscal 2022 compared with fiscal 2013. (The figures have been changed due to the change in the coefficient.)

## Packaging weight index of plastic packaging items



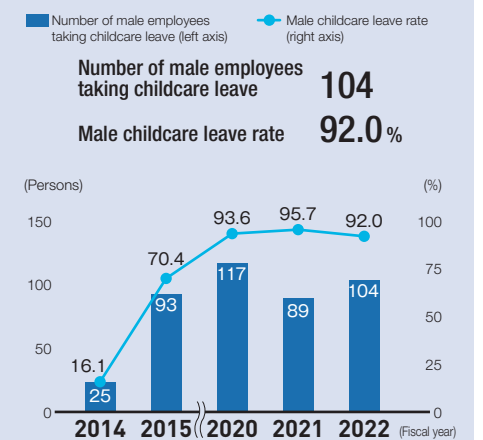
<sup>2</sup> Calculated from March to February of the following year to coincide with the company's fiscal year

## Status of reduction in food loss per store

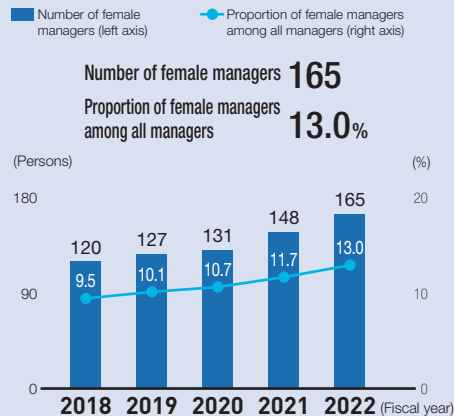


<sup>2</sup> Calculated from March to February of the following year to coincide with the company's fiscal year

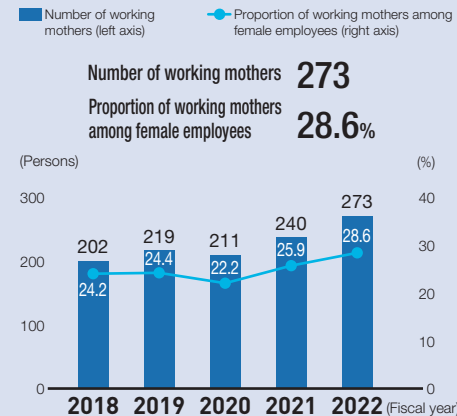
## Number of male employees taking childcare leave/ Male childcare leave rate



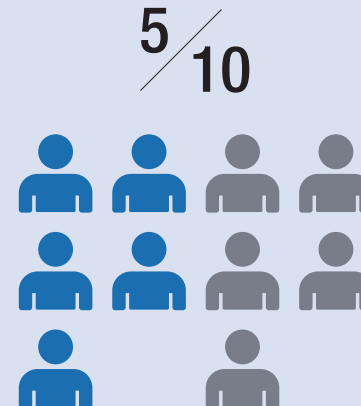
## Number of female managers/ Proportion of female managers among all managers



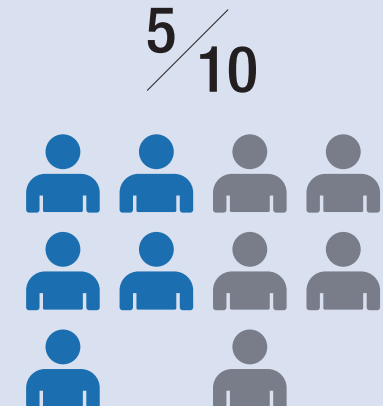
## Number of working mothers/ Proportion of working mothers among female employees



## Outside (independent) officers



## Female officers






## Towards achieving Lawson Blue Challenge 2050 !

Lawson Group is pursuing efforts to achieve its social and environmental KPIs in the target years of 2025, the 50th anniversary of its founding, and 2030, the target year of the Sustainable Development Goals (SDGs). Lawson Group also formulated its environmental vision, Lawson Blue Challenge 2050!, aiming to realize a carbon-free society by 2050 and ensure an abundant, blue planet for the future.

In order to contribute to the ideal world that the SDGs aim to realize, we will continue our initiatives to address environmental issues, such as reducing CO<sub>2</sub> emissions, reducing food waste, and reducing plastic in containers and shopping bags, as we take on difficult challenges to achieve our goals (the KPIs) for 2025, 2030, and 2050.

To achieve a carbon-free society by the year 2050, we will develop an environmental vision, identify long-term goals, and strive to achieve these goals.

	2025 50th anniversary	2030 SDGs targets	2050 Environmental vision Lawson Blue Challenge 2050 ! —Save our blue planet ! —
 <b>Reducing CO<sub>2</sub> emissions</b>	Per store 2013 levels <b>Reduce by 15%</b>	<b>Reduce by 50%</b>	<b>Reduce by 100%</b>
 <b>Food waste reduction</b>	Per store 2018 levels <b>Reduce by 25%</b>	<b>Reduce by 50%</b>	<b>Reduce by 100%</b>
 <b>Reducing plastic</b>	Plastic for containers and packaging 2017 levels <b>Reduce by 15%</b>	Plastic for containers and packaging <b>Reduce by 30%</b>	Containers and packaging for Lawson's original products Eco-friendly materials <b>100% used</b>
		Containers and packaging for Lawson's original products Eco-friendly materials <b>50% used</b>	
		Plastic shopping bags <b>Reduce by 100%</b>	

## Tackling issues like climate change to facilitate sustainable development

### Environmental Policy

To sustain the blessings of Earth for future generations, the Lawson Group considers the environment in every aspect of our business activities and strives to achieve sustainable development and coexistence with local communities. We have made coexistence with local communities and striving to achieve sustainable development basic principles of the Lawson Group Environmental Policy.

 **Lawson Group Environmental Policy**  
[https://www.lawson.jp/en/csr/policy/environmental\\_policy/](https://www.lawson.jp/en/csr/policy/environmental_policy/)

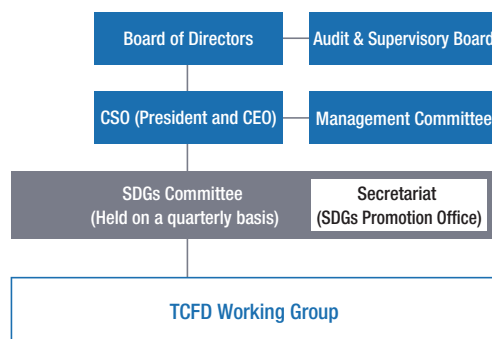
### TCFD proposal initiatives

Climate change is a serious environmental challenge with the potential to have a significant impact on the continuity of the Lawson Group's operations. Lawson, the Group's core company, endorsed the Task Force on Climate-related Financial Disclosures (TCFD) in April 2020, and we continue to analyze the financial impacts of climate change on the Group's businesses in line with the framework recommended by the TCFD.

 **TCFD proposal initiatives**  
<https://www.lawson.jp/en/csr/tcfd/>

### Governance

The Lawson Group created the position of Chief Sustainability Officer (CSO) to address intensifying environmental problems such as climate change and appointed the president, CEO, and representative director to fill it. We also formed the SDGs Committee, whose membership consists of managers of departments related to sustainability and which meets on a quarterly basis, as part of a program of "sustainable environment preservation activities toward a carbon-free society." In addition, we've set ambitious targets for reducing CO<sub>2</sub> emissions, food waste reduction, and reducing plastic, and the Board of Directors receives regular reports on the status of these initiatives.



A working group has been established under the SDGs Committee to promote the disclosure of information related to climate change. Members including staff from departments responsible for business strategy, accounting, and investor relations are working to disclose information in line with the TCFD framework.

### Strategy

Under the leadership of the Chief Compliance and Risk Management Officer (CRO), Lawson has formed a Compliance & Risk Management Committee that cuts across multiple departments to identify risks and create risk scenarios each year. We evaluate each scenario on the basis of impact and likelihood and identify serious risks that threaten to have a significant impact on our financial position, performance, cashflow, or strategy.

With regard to climate change, we've evaluated the likely timing at which risks and opportunities related to the transition to a decarbonized economy—for example through regulations on greenhouse gas (GHG) emissions—and to the need to adapt to physical changes such as intensification of extreme weather would impact our operations as well as the magnitude of the impact on our financial position based on our analyses of the underlying scenarios.

### Scenario analysis overview

<b>Target businesses</b>	Domestic convenience store business (Lawson, NATURAL LAWSON)
<b>Scope of analysis</b>	Lawson and franchise stores
<b>Reporting period</b>	2030, 2050
<b>Analysis targets</b>	(1) Increase in store operating costs due to the introduction of carbon pricing (2) Impact on stores due to increased intensity of weather disasters (3) Increase in sales of environmentally friendly products

### Risk management

Lawson has formed a department to oversee the Group's risk management to analyze and evaluate the likelihood and potential impact of risks and to visualize the results as a companywide risk map based on those impacts (for example, the scale of potential losses) and likelihoods.

We recognize climate-related risks as an extremely serious category of risk, and we analyze and evaluate associated impacts on our businesses. We discuss how to respond based on the seriousness of each risk and formulate measures including risk avoidance, reduction, and transference through use of insurance.

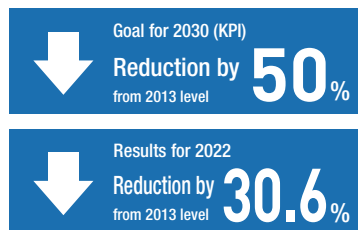
### Metrics and targets

Furthermore, in an effort to contribute to the formation of a decarbonized society and the vision of the SDGs, Lawson has taken on the challenge of even more ambitious targets (reducing CO<sub>2</sub> emissions, food waste reduction, and reducing plastic) in its Environmental Vision, Lawson Blue Challenge 2050 ! "Save our blue planet ! "

Please see page 35 for more information about the Environmental Vision.

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

Lawson has set itself the goal of reducing CO<sub>2</sub> emissions per store by 50% compared to 2013 levels by 2030. To achieve this target, we are working to reduce electricity consumption in store facilities; for example, by introducing energy-saving refrigeration systems and solar power generation equipment and promoting the “Ten Energy-saving Rules” in stores.



### Ten Energy-saving 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 opened while moving products in and out.
4. Keep the area around outdoor refrigeration and air-conditioning equipment 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 in open cases so that they do not disturb the air curtain.
10. Minimize the number of times storage freezers and refrigerators are opened.

## CO<sub>2</sub> emissions generated by our supply chain during 2022

Total CO<sub>2</sub> emissions **Approx. 5,567,100 tons**

\*Method of calculating greenhouse gas emissions in the supply chain  
 Calculated from the Database of Emissions per Base Unit Ver. 3.3 for calculating greenhouse gas emissions of organizations through the supply chain and Ver. 2.5 of the Guidelines for Calculating Greenhouse Gas Emissions.

Scope/category	Emissions covered	Emissions (kt-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 stores	896.8
Scope 3 (Other indirect emissions)	Category 1 Raw materials purchased (private and national brand products, plastic shopping bags, etc.)	4,193.6
	Category 2 Buildings, furniture and fixtures, and information system hardware	70.3
	Category 3 Electricity consumption associated with procurement of electric power	145.0
	Category 4 Energy consumption of distribution centers	136.0
	Category 5 In-store waste and industrial waste due to store closures and remodeling	21.9
	Category 6 Business trips by Lawson Headquarters' employees	0.8
	Category 7 Commuting by Lawson Headquarters employees	1.4
	Category 11 Use of products sold	56.5
	Category 12 Disposal of containers, chopsticks, and plastic shopping bags	40.6
	<b>Total</b>	

\*Does not cover all of Lawson's supply chain. Total values cited may diverge slightly from totals calculated by adding individual values due to rounding. Scope 2 includes electricity used by stores belonging to Category 14 of Scope 3. Fiscal 2022 results have been subject to third-party verification by the Japan Management Association. (The third-party verification process excluded electricity use by Scope 2 LAWSON STORE 100.)

## Targets

### SBT certification

To accelerate its efforts to combat climate change, Lawson submitted a commitment letter in June 2022 to the SBT Initiative\*<sup>2</sup>, seeking certification\*<sup>1</sup> from that body to the effect that the Group's greenhouse gas reduction targets are consistent with the Paris Agreement.

Including group companies, we are working to identify GHG emission targets associated with our business activities, collect data, promote reduction activities, and set reduction targets as we strive to earn certification within two years as part of a larger effort to achieve the 1.5°C target set forth in the Paris Agreement.

\*1 SBT: Science Based Targets. These are greenhouse gas emission reduction targets set by companies that are consistent with the levels required by the Paris Agreement. Targets must be set five to 10 years ahead with the aim of reducing emissions by 4.2% or more per year.

\*2 An international initiative jointly established by the World Wide Fund for Nature (WWF); the CDP, an international NGO working on environmental issues; the World Resources Institute (WRI); and the United Nations Global Compact (UNGC). The initiative works to establish reduction targets that are consistent with scientific knowledge in order to prevent the average global rise in temperature caused by climate change from exceeding pre-Industrial Revolution levels by more than 2°C or 1.5°C.

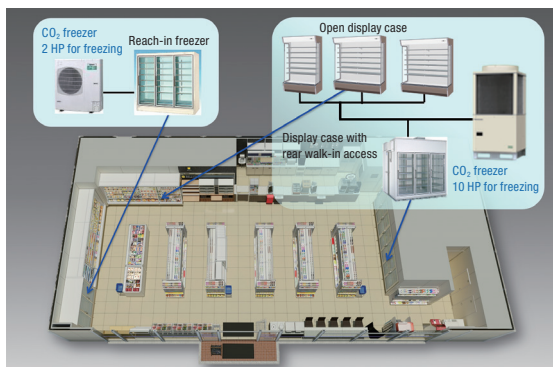
### Conducting a pilot project with a new store to reduce electricity use

In November 2022, we opened a new store in the city of Kawasaki, Kanagawa Prefecture, featuring solar panels as well as glass and acrylic doors on about 80% of its refrigerated and frozen display cases as part of a pilot project whose goal is to reduce electricity use at the store by 40%, and CO<sub>2</sub> emissions by 55%, compared to 2013 levels. We're planning to standardize this approach for new stores after March 2024 after verifying its effectiveness through February 2024. We're also planning to bring the approach to existing stores when they're due for renovations in fiscal 2024 and beyond.



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

Lawson started installing highly energy-efficient non-CFC (CO<sub>2</sub> refrigerant) freezing and refrigerating systems in fiscal 2010. Approximately 5,300 stores have installed the systems (as of the end of February 2023). These



systems use CO<sub>2</sub> refrigerants whose impact on global warming is considered to be lower than that of CFCs, allowing them to materially reduce greenhouse gas emissions. They also use considerably less energy.

### Introduction of compact, fuel cell-powered trucks

We began introducing compact, hydrogen-powered fuel cell trucks that were jointly developed by Toyota Motor Corporation and Isuzu Motors Ltd. to help limit global warming and realize a sustainable society that can harness a more diverse range of energy types. Lawson distribution centers in the city of Motomiya, Fukushima Prefecture,



and Ota Ward, Tokyo, each began operating one of the trucks in May 2023. Going forward, we will work to reduce CO<sub>2</sub> emissions from distribution by progressively expanding the area within which products are delivered to stores by such trucks.

### Lawson's headquarters switches to green power

In April 2023, Lawson's headquarters began filling its electricity needs with green power (effectively renewable energy with environmental value such as post-FIT solar power). The change is expected to lower the facility's annual CO<sub>2</sub> emissions by about 280 tons. The office is also working to lower electricity use in July and August. In addition to emphasizing the need to turn off lights in unused areas, the headquarters is pursuing a range of initiatives with both environmental and health components; for example, encouraging workers to use air conditioning appropriately and to adopt business-casual attire.



## Reducing plastic use

The material plastic brings convenience to our lives but also poses environmental problems due to plastic waste. Lawson is working to address those problems by reducing use of shopping bags, plastic beverage bottles, and other plastic containers.



### Lawson launches pilot project to use paper lids for coffee products at MACHI café

In June 2023, Lawson launched a pilot project to switch from plastic to paper lids for MACHI café hot coffee products (S size) at some stores. The change reduces the amount of plastic per cup from 2.1 grams to 0.3 grams. Once the pilot project is complete, we plan to roll out the change to all stores with MACHI café offerings nationwide (as of July 31, 2023, about 13,700 stores).

### Replacing the lids of salad containers with plastic seals

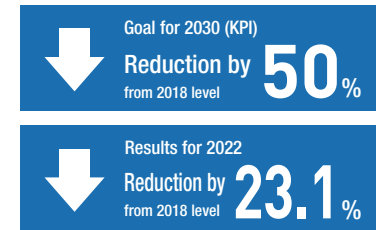
In May 2023, we began using plastic seals instead of lids for some salad containers at Lawson stores nationwide (excluding Okinawa prefecture). The change is expected to lower annual plastic use by about 100 tons and annual CO<sub>2</sub> emissions by about 160 tons.

In the past, we had used latching plastic lids for salad containers, along with additional strips of tape to keep the lids from coming off. Switching to plastic seals helps reduce plastic use in the lid and tape as well as CO<sub>2</sub> emissions. Moreover, we're using technology for printing directly on the packaging material to save resources by eliminating the need to affix paper product and ingredient labels as in the past.



## Food waste reduction

Lawson considers reducing food losses due to waste to be an extremely important priority, and we're working to realize a 50% reduction compared to 2018 levels by 2030 through a combination of measures including optimizing orders, discounting prices to encourage sales, and modifying containers to extend best-by dates.



### Promotes buying the frontmost item on the shelf

We're working with the Consumer Affairs Agency; the Ministry of Agriculture, Forestry and Fisheries; the Ministry of the Environment; and the Japan Franchise Association to implement the "Choose from the Front" program. The program seeks to reduce food losses by encouraging customers who plan to consume a purchase immediately to choose the frontmost item on the shelf.

### Flash-freezing and donating KARAAGE-KUN Fried Chicken and other products whose sell-by date\* has passed

We're conducting a pilot project at some stores in Tokyo to reduce food waste while ensuring that food is used effectively by flash-freezing KARAAGE-KUN Fried Chicken and other fried foods that have passed their sell-by date and donating them to cafeterias for needy children and other organizations.

The project, which is part of a joint initiative with Shinagawa Ward and the Shinagawa Ward Council on Social Welfare conceived to help feed needy children, involves freezing fried foods that have passed their sell-by date with a flash-freezer that can preserve the items while retaining freshness and donating them to cafeterias for children and other organizations in Shinagawa Ward via the Shinagawa Children's Cafeteria Network. Donated food is recooked by the cafeterias and used as part of their lunch and dinner menus. We're studying regional needs and operational processes through the pilot project and examining whether we can bring the program to other stores and expand the range of products it includes.



\*Lawson determines sell-by dates using a proprietary method. Items are removed from stores but can be consumed since their expiration date has not passed.

## Basic policy of human resources strategy

At Lawson, we have a well-systematized Group philosophy, as well as accompanying action guidelines in the form of the Lawson's Way (Action Guideline), and we invest effort into cultivating core human resources who will be responsible for putting it into practice.

Our personnel hiring is conducted in line with the Lawson Group Human Rights Policy and focuses on each individual's aptitude, motivation and ability regardless of gender, gender identity or expression, sexual orientation, nationality, age, educational background, origin, or other such factor.

For Lawson, the ideal human resources are those who can express value through cooperation and teamwork, who are capable of continual change in order to generate value, and who persevere in order to achieve goals. The behavior of such personnel is characterized by being capable of thinking and acting on their own initiative.

To put our Group philosophy into practice toward achieving the fiscal year mission, we have a growth-centered HR system that encourages employees to think and act autonomously in performing their jobs. We foster a culture of self-initiative by operating a personnel system which clarifies the scope of responsibility and roles to be fulfilled for each job, as well as by introducing a system for evaluating the behavior of each employee. We evaluate employee behaviors (processes) that produce positive results and employee performance (the results of the behaviors), relying on these two evaluations to determine how employees should be treated and to further human resources development.

We employ a career development sheet to ensure employees' ability to determine their own career paths, and individual employees are also asked to specify their goals for the future in light of their personal histories and current positions. Interviews are conducted to support their growth as individuals.

### Lawson's Way (Action Guideline)

1. Create stores filled with the best smile in town.
2. Speak out your ideas to take action.
3. Enjoy your challenge.
4. Value your friends to become one.
5. Act in good faith.

Message from the Division Director of Human Resources

## Cultivating new human resources using a developmental personnel system



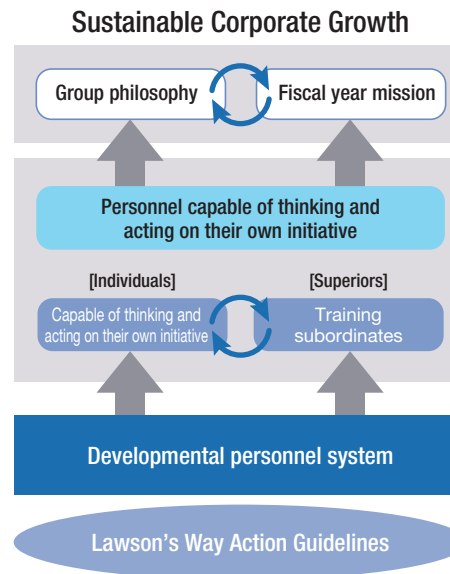
Division Director of Human Resources

Takeji Hino

At Lawson, we operate a personnel system which determines role grade and salary according to scope of responsibility and role to be fulfilled, and which is based on each individual's capabilities, without regard to his or her attributes and values. Together with this, we also conduct regular training, as well as job-specific training, rank-specific training, selective training and more, in order to support individuals in achieving their career aspirations. Moreover, starting in January 2023, we introduced a "lawson management school" which included 153 branch managers and sales department managers nationwide and which was taught by the president. Our aim is to promote awareness and leadership among managers on an individual level, such as with regard to the qualifications as a leader, the importance of earning power, organizational skills and the pursuit of ideals, to, thereby, contribute to the further growth of the Lawson Group. In the future, we plan to expand this program to product, marketing and development managers as well. Since fiscal 2016, to help general managers become the

next generation of senior management leaders, we have pursued committee-driven creation of individual development planning, personnel development through interviews and other means, and progress monitoring. And in order to also foster the development of female leaders, we have decided that one out of every three candidates must be a woman.

Also, in order to improve employee engagement, we conduct an employee awareness survey once a year and share the results with not only management but all employees company-wide. Also, we promote diversity, equity and inclusion (DE&I) as a part of our management strategy. Within this, our greatest effort goes towards promotion of female advancement in the workplace. Furthermore, we seek to cultivate a better working environment and provide support for healthy lifestyles in order to help our employees maintain and improve their health.

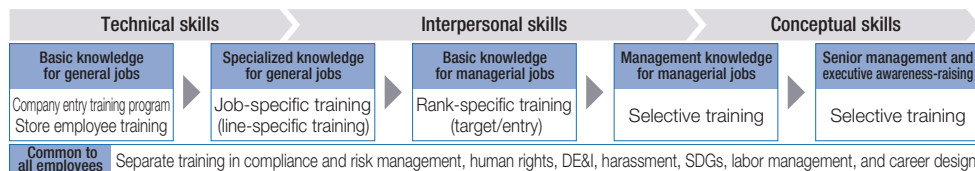


## A training program which supports career development

At Lawson, with the aim of putting our Group philosophy into practice, we operate a training program which is based on Lawson’s corporate and business strategies and which delivers high-level knowledge and skills needed for various job types and positions. In order to facilitate autonomous growth among our employees and empower them to be “capable of thinking and acting on their own initiative,” a training system is independently provided by the Company, as well as an environment for employees to pursue independent learning. And with a view also to reskilling, all personnel are provided with systematic and ongoing support, such as a more robust e-learning system, regularly held self-directed training, and an expanded LOCP (a personal development support system), to help them pursue learning at any time they want.

### Aim of the education and training system

From new hires to management, we categorize and provide the knowledge and job requirements necessary for each role. Learning content is separated into different categories, including technical skills required for general jobs (e.g., basic and job type-specific specialized knowledge and skills), interpersonal skills necessary for management and leadership, conceptual skills used to develop the managerial perspective of executive candidates, and employee awareness-raising educational matters which apply company-wide, such as compliance and human rights, DE&I and labor management. We also provide this education and training in the format which is best suited to the participant, such as face-to-face training, online training and e-learning.



### Learning venue (training frequency) expansion

Due in part to recent changes in the social environment (e.g., changes implemented to prevent infectious spread), we utilize not only face-to-face training but all means to provide a learning venue to participants. In particular, our early changeover to, and active introduction of, online training has had an extremely pronounced impact, and we have been able to increase the types and frequency of training to match employee needs.

Item	Fiscal 2020	Fiscal 2022	Extension rate
Training sessions*	60	119	198.3%
Training participants*	1,887	3,082	163.3%
E-learning courses*	44	160	363.6%

\*Human Resources Department-led training system in Lawson Inc.

## List of main training content

Training	Target	Frequency	Participants
<b>Company entry training program</b>			
Employee training for new routine hires	New routine hires	Once per year	89
Employee training for new non-routine hires	New non-routine hires	10 times/year	64
<b>Store employee training</b>			
Employee training for routine hires (university graduates)	New routine hires (university graduates)	4 times/year	85
Employee training for routine hires (high school graduates)	New routine hires (high school graduates)	4 times/year	10
Training for non-routine hires	New non-routine hires	2 times/year	5
<b>Job-specific training</b>			
Store manager training	Store managers	4 times/year	178
Store manager follow-up training	Store managers	2 times/year	24
ASV promotion training	Assistant supervisors	2 times/year	145
SV pre-promotion training	Assistant supervisors	6 times/year	156
SV training	Supervisors	8 times/year	279
MC promotion training	Managerial consultants	2 times/year	16
AMD training	Assistant merchandisers	2 times/year	51
ARFC training	Assistant recruit field counselors	4 times/year	18
<b>Rank-specific training</b>			
New junior manager training	Assistant managers	2 times/year	84
New manager training	Managers	2 times/year	39
New senior manager training	General managers	2 times/year	13
M1 upskilling training	Assistant managers	2 times/year	172
M2 upskilling training	Managers	2 times/year	162
<b>Selective training</b>			
Lawson management school	Branch managers, sales department managers	1 time/year	153
Lawson management course	General managers, managers	1 time/year	18
Executive management course	General managers	1 time/year	11
Transformational leader development program	General managers	1 time/year	1
<b>Common to all employees</b>			
Human rights and diversity training	All employees	1 time/year	All employees
SDGs training	All employees	1 time/year	All employees
Compliance and risk management training	All employees	1 time/year	All employees
Labor management training	All employees	1 time/year	All employees
Manager-focused labor management training	Managers	1 time/year	All managers
Remote work training	Required for remote work applicants	1 time/year	All targets
Career design training	Employees who will turn 53	6 time/year	131

\*Fiscal 2022 figures for Lawson Inc.



## Engagement score ascertainment

An employee awareness survey is given to all employees once a year in order to bring company-wide issues into focus and contribute to improved organizational management. Questions are divided among the categories of company, job, workplace, superiors, systems and career autonomy, with responses being compared year-to-year to analyze changes from the previous survey and their causes, correlations between questions, and other factors. Satisfaction levels on the fiscal 2022 employee awareness survey were higher in almost all categories compared with the previous year.

**Question: I am satisfied working for this company.**

	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Positive response rate	70.4%	70.8%	74.7%	74.0%	74.5%

\*Employee awareness survey results (figures for Lawson Inc.)

## Engagement enhancement efforts

### Employee awareness survey improvement activities

The results of the employee awareness survey are reported at the management meeting and are used in considering different measures and systems for addressing company-wide issues. In addition, the results are used to create organization-specific charts, and, for feedback, each employee is provided with a summary of the survey results for all employees as well as the chart for the organization to which he or she belongs. Within each organization, the head of the organization talks with members about improvement activities to address the organization's issues and collectively improve the workplace environment.

In fiscal 2022, in addition to the annual employee awareness survey, a simple pulse survey was trialed in some areas. This survey is conducted once every two months in order to get real-time results that are used in an organizational improvement activity cycle, such as faster situational assessment and action. This simple pulse survey will be introduced to all branches nationwide in fiscal 2023 with the aim of more quickly ascertaining employee engagement on-site and then pursuing improvement measures.

## Work motivation reform project

In order to improve employee job satisfaction and engagement by fostering personal development and a sense of achievement through the voluntary pursuit of challenges undertaken within a context of mutual trust and solidarity among the diverse human resources working together in the Group, we have launched the "Work motivation reform" project under the guidance of the Sweeping Transformation Executive Committee.

For this project, we recruit volunteer members from among employees nationwide to discuss specific proposals on a range of topics, such as stimulating more active communication and streamlining business operations. In fiscal 2022, thirty members were divided into three teams to discuss "business operations improvement," "interpersonal connection" and "feedback" and come up with measures to propose to the president and other executives that will contribute to increased job satisfaction.

## Expansion of challenge opportunities: the 100 Million Yen Challenge and the Lawson Challenge Award

The 100 Million Yen Challenge was developed to solicit ideas for new challenges that would be undertaken within a budget of 100 million yen. It has been in operation since fiscal 2021 as part of the Work motivation reform project. During that first fiscal year we received 170 entries, and the number grew to 200 in fiscal 2022. After all of the presentations were made to the president and executive officers, it was a plan for a coffee subscription service which was ultimately chosen and which is now being trialed in Aichi Prefecture.

In fiscal 2018, the "Lawson Challenge Award (L-Challenge)" was begun to solicit and publicly recognize job innovations and business operation improvements and new ideas implemented over the course of the year. In fiscal 2022, there were 149 entries, of which the top ten made presentations to the president and executive officers, with the final award going to the Chubu Product Department for its development of a Yokkaichi Tonteki-don rice and meat bowl (sale ended), which is a popular local dish.

Through these sorts of measures, employees are encouraged to voluntarily seek out challenges.



Coffee subscription service selected for the fiscal 2022 100 Million Yen Challenge



The Chubu Product Department's local specialty product selected for the L-Challenge (Lawson Challenge) Award in fiscal 2022.

## Promotion of diversity, equity and inclusion (DE&I)

Within Lawson, we have made diversity, equity and inclusion (DE&I) a key part of our management strategy.

Lawson aims to be a company which promotes employee diversity, treats all employee fairly, is accepting of differences, and empowers every employee to voice his or her ideas and to tackle challenges.

### D (Diversity)

We warmly welcome diversity among our team members, not only with regard to gender, race and age but also individual character, customs, religion and other attributes.

### E (Equity)

We prepare the necessary resources according to each person's background so that everyone feels empowered to voice their ideas and supported in taking on challenges.

### I (Inclusion)

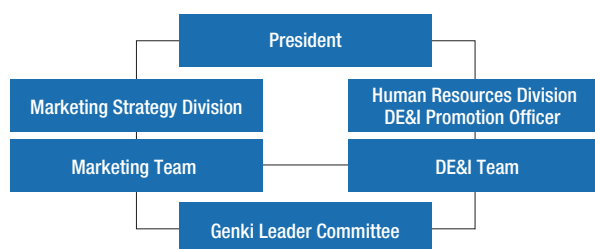
We work to create an environment of unity, where everyone has respect for one another as colleagues and individuals and where there is acceptance of one another's value system.

## Diversity, equity and inclusion (DE&I) promotion system

With the president at the top and working in conjunction with the Human Resources Division, a DE&I promotion officer is appointed who oversees necessary system planning, operation, assignment, etc. Also, the Marketing Strategy Division carries out marketing based on ideas provided by women in order to create new business value.

In addition, leaders are chosen for each area of the country, with regular sessions of the "Genki Leader Committee" being held to with the aim of promoting DE&I, stimulating in-house communication, and promoting employee health.

### DE&I Promotion System



### Monthly average overtime hours/Annual leave utilization rate\*

Item	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Monthly average overtime hours	11.2	10.7	9.4	10.5	10.9
Annual leave utilization rate	40.9%	53.4%	54.2%	57.2%	60.4%

### Employment of non-Japanese employees (as of the end of fiscal 2022)\*

Country/territory of origin	Males	Females	Total
China	47	54	101
Korea	13	21	34
Vietnam	1	2	3
Nepal	2	—	2
Mongolia	2	—	2
Indonesia	1	—	1
Thailand	—	1	1
Bangladesh	1	—	1
Total	67	78	145

\*Figures for Lawson Inc.

## Diversity, equity and inclusion (DE&I) promotion efforts

In order to promote DE&I, since 2005 we have conducted our routine hiring with the aim of achieving a 50-50 balance between men and women. Since 2008, we have been actively hiring non-Japanese recent college graduates, with around 10-15% of new hires each year being non-Japanese. After hiring, follow-up training is provided, and employees are assigned not only overseas but to a variety of different departments. Currently, the majority are working in management positions.

In order to promote employment of people with disabilities, we established the Lawson Will special subsidiary in 2013 and consign a portion of Group company business operations to it. Furthermore, employees with disabilities are now included within the scope of our system which allows employees to select the number of days and hours they work, and we are also now promoting their hiring as regular employees. We are endeavoring through various initiatives to create an environment of greater understanding for the disabled, such as by trialing the wearing of bibs which display an employee's job duties, thereby helping to relieve the anxiety of store employees with disabilities who feel it difficult to perform customer service tasks, as well as giving those interested the opportunity to participate in wheelchair basketball experience events.

In fiscal 2021, we raised the retirement age to 65 and introduced an Active Senior Full-time Employee System. Accompanying the extension of the retirement age, we provide all employees who have reached the age of 53 with career design training in order to provide them with a venue for thinking about future career development. Also, we create an environment conducive to continued work after the age of 60 by offering these multiple job courses and work styles to choose from.

Starting in fiscal 2023, we are working to promote greater LGBTQ understanding among employees by (1) conducting seminars and e-learning, (2) establishing a consultation desk, (3) changing our company housing system (to allow same-sex partners), and (4) changing internally used common names (to allow changing to a name which conforms to one's gender identity).

Additionally, in order to help non-Japanese part-time in-store employees more quickly learn store operations, a multilingual partial translation of the operations manual and a multilingual (nine languages) lexicon of Lawson-related terminology – a "Lawsonary" – have been introduced, along with other support, like the use of easier-to-understand Japanese.

We disregard gender, gender identity and expression, sexual orientation, nationality, age, schooling, and birthplace, focusing instead on individual suitability, motivation, and ability.

### Our declaration!

## Lawson will promote female advancement in the workplace as part of DE&I promotion.

Diversity of human resources is indispensable to innovation.

At Lawson, we believe that the active recruitment of diverse employees, including women and non-Japanese, combined with an empowering environment which helps them to develop, contributes to increased corporate value; thus, we will continue to actively pursue the promotion of female advancement in the workplace.

President and CEO, Representative Director, Chairman of the Board  
Sadano bu Takemasu

### Data relating to women\*

Gender wage gap	Fiscal 2022
All workers	62.5%
Subset of regular employees	80.8%
Subset of non-regular employees	88.1%

\*Explanation about data calculation  
 •Target period: Fiscal 2022 (March 1, 2022 February 28, 2023)  
 •Regular employees: Regular employees other than executive officers.  
 •Non-regular employees: Temporary employees, part-time employees.  
 For part-time employees, the average annual wage is calculated based on the cumulative number of employees for legal working hours (eight hours/day).

\*Supplementary explanation about gap

- With regard to regular employees, because the number of continuous years worked is fewer for women than men (difference of 6.9 years) and the percentage of female managers is low (13%), this has a major impact on the wage gap. Thus, we have made promotion of female advancement in the workplace a key management priority, aiming to raise both the percentage of female employees and managers to at least 30% by 2030, and, towards this end, we are engaged in a variety of human resources development, such as employee-focused career training.
- With regard to non-regular employees, the wage gap between men and women is due to the fact that many men are rehired as temporary employees after their retirement, thus receiving higher wages, while many part-time employees are women.
- The wage gap between men and women for employees overall is due to the fact that men make up a higher percentage (80%) of regular employees, who receive relatively higher pay, while women make up a higher percentage (62%) of non-regular employees, who receive relatively lower pay.

### Male childcare leave rate\*

	Fiscal 2014	Fiscal 2015	Fiscal 2020	Fiscal 2021	Fiscal 2022
Number of male employees taking childcare leave	23	93	117	89	104
Male childcare leave rate	16.1%	70.4%	93.6%	95.7%	92.0%

### Proportion of working mothers among female employees\*

	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Number of working mothers	202	219	211	240	273
Percentage of working mothers among female employees	24.2%	24.4%	22.2%	25.9%	28.6%

\*Figures for Lawson Inc.

## Goals and efforts for the promotion of female advancement in the workplace

We have made it a qualitative goal to “be a company which enables women to continue working as they raise children” and have made it a quantitative goal that “30% of all employees shall be women by fiscal 2030” and “30% of all managers shall be women by fiscal 2030.” Since 2005, we have made it a goal that “50% of newly hired college graduates shall be women,” and we continue to actively recruit women in order to ensure we meet this. Also, for female employees in their mid-twenties to early thirties, we want help alleviate their concerns about being able to balance life events and work so that they can continue working; thus, we provide career development training where women can talk with their seniors about the latter’s experiences, as well as chart their own future career path. Furthermore, we run selective leadership training as supplementary training for sales line manager candidates, during which opportunities to meet and talk directly with female corporate executives and the president are provided with the aim of fostering a leadership mindset. In addition, we conduct childcare leave employee training aimed at providing company information to employees on childcare leave and facilitating career development for after they return to work, as well as cultivating a network. This training alleviates employees concerns about returning to work and helps them get back up to speed.



Because men’s participation in childcare is important for achieving female advancement in the workplace, we introduced our own, distinctive short-term childcare leave system in 2014. Since fiscal 2018, the utilization rate has remained at or above 90%. Also, with the introduction of childbirth childcare leave (post-birth leave for fathers), we provide e-learning about it to all employees and encourage them to make use of it. As a result, the combined utilization rate for long- and short-term childcare leave amongst men in fiscal 2022 was 92%, with 22.3 days being the average amount of leave.

In addition, a Lawson Work Style Handbook has been created and shared with all employees which contains a message to them from top management about DE&I promotion, as well as an introduction to the career path and work-life balance support systems, profiles of employees who can serve as roles models, and much more.

Lawson has developed a number of support systems adaptable to employee needs to help them balance childrearing with work, including a reduced working hours/days system, holiday system and family accompaniment transfer system.

### Proportion of female managers among all managers\*

	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
No. of female managers	120	127	131	148	165
Proportion of female managers among all managers	9.5%	10.1%	10.7%	11.7%	13.0%

### Proportion of female new graduate hires\*

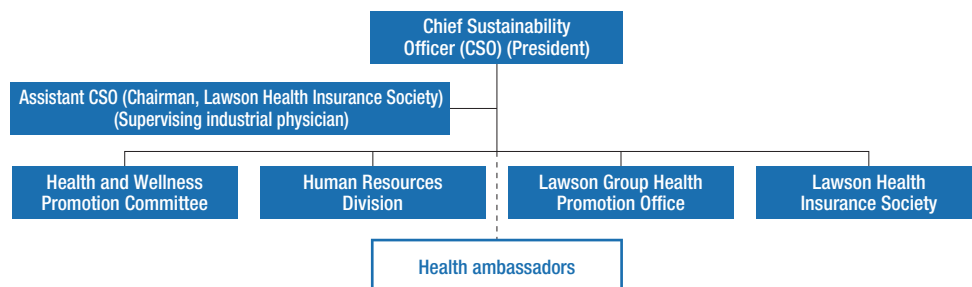
	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Number of female new graduate hires*	78	100	99	58	46
Proportion of female new graduate hires	41.7%	44.4%	44.8%	49.2%	51.7%

## Working environment

With the aim of ensuring employees have a safe, worker-friendly and motivating workplace environment, we provide opportunities for dialog-focused labor-management consultation and encourage employee participation in discussions on a variety of topics, including how to develop the workplace environment and promote work efficiency and improve the organizational culture. In particular, both labor and management conduct monthly self-checks and engage in dialog about working hours, the status of leave utilization and other concerns in order to identify issues early and then promptly develop measures to address them.

We ensure that the 5S Methodology of "Sort, Set, Shine, Standardize, and Sustain" is fully implemented by our franchise stores, and we ensure that the safe operating procedures presented in the operation manual are carefully followed in order to prevent accidents. We also hold safety management meetings company-wide 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 reoccurrence. Also, with regard to improvement of the working environment, we emphasize stress check-based employee care, including support for departmental issue identification and improvement action and implementation of training by industrial physicians.

### System to promote health and productivity



Lawson Group Health Promotion Office members



## Health and productivity management

As a company that contributes to customers' overall health, Lawson values the health of its 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 and Wellness Promotion Committee, we have established a system to actively promote health and productivity management and strengthen health initiatives and health management for the Company and its customers.

Since September 2018, we have been working to strengthen group-wide health promotion measures in cooperation with the Lawson Group Health Promotion Office, a body operating under the direct supervision of the President, the Human Resources Division, the labor union, the Lawson Health Insurance Society and the health ambassadors established in each department. Another important concern is promoting the health of franchise store owners, and we are working through the Lawson Owner Welfare Association to provide a menu of health-related options, including a health check-up subsidy system and the establishment of a health support desk. As a result of our various initiatives, such as efforts tailored to local health concerns, as of fiscal 2022, we have been selected as a Health and Productivity Management Brand (for the fourth time) and a Health and Productivity Management Outstanding Organization (large-scale corporate sector; seventh year in a row), in recognition of our status as a company which practices particularly outstanding health and productivity management.

### Setting target value

In terms of KPI for three years from fiscal 2022, we have set values equivalent to pre-pandemic levels for the percentage of persons in the acceptable value range for the five inspection items and for non-smokers. We conduct follow-ups with employees individually to help them recognize the importance of taking personal responsibility for their own health maintenance and improvement and to make changes in their lifestyle accordingly.

		Fiscal 2021 actual	Fiscal 2022 actual	Change from the previous year	Fiscal 2025 target
Overweight	Males	46.8%	47.0%	+0.2%	52.0%
	Females	75.4%	75.9%	+0.5%	79.0%
Blood pressure		72.9%	73.1%	+0.2%	76.0%
Liver function		65.8%	67.7%	+1.9%	72.0%
Lipids		79.5%	80.4%	+0.9%	82.0%
Blood sugar		62.2%	60.8%	-1.4%	66.0%
Non-smoking		70.9%	71.8%	+0.9%	75.0%

Percentages of persons in the acceptable range are aggregated totals for persons of all ages who are members of the Lawson Health Insurance Society.

- Weight: BMI of less than 25, and a waist circumference of less than 85 cm for males and 90 cm for females.
- Lipids: Neutral fats of less than 150 mg / dl and HDL cholesterol of at least 40 mg / dl.
- Blood Pressure: Systolic of less than 130 mm Hg and diastolic of less than 85 mm Hg.
- Blood Sugar: Fasting blood sugar less than 100 mg / dl or HbA1c less than 5.6%.
- Liver Function: AST less than 31, ALT less than 31 and  $\gamma$ -GT less than 51.

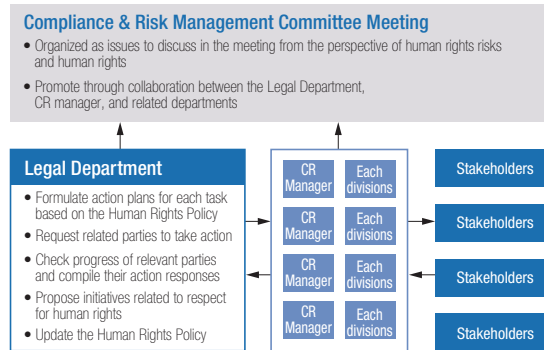


For more information about health-related efforts aimed at Lawson employees  
<https://www.lawson.jp/en/csr/hrs/>

### Lawson Group Human Rights Policy & Promotion System

In June 2021, we established the Lawson Group Human Rights Policy as our top-level basic policy on human rights to promote the SDGs and ESG-based management.

To advance the policy, each department, under the supervision of the CRO, takes the initiative to promote respect for human rights in its respective activities. The progress of initiatives undertaken by each department is regularly reviewed by the Compliance & Risk Management Committee, which is chaired by the CRO.



**The Lawson Group Human Rights Policy**  
<https://www.lawson.jp/en/csr/policy/respect/>

### Human rights due diligence

Lawson conducts human rights due diligence to identify and remedy any negative human rights impacts that might arise from its business activities. For example, we are aware that foreign workers, including foreign technical interns, are working in the manufacturing and distribution processes of Private Brand products handled by LAWSON stores. As such, we closely monitor their human rights circumstances through the development of SAQs (self-assessment questionnaires) and individual dialogues, as well as through other means.

Lawson offers a diverse range of products and services in its stores, and the related stakeholders are equally diverse. Therefore, the identification of human rights risks is both extensive and complex, and we will continue to address such risks on an ongoing basis.

If Lawson is found to have caused or been involved in any negative impact on human rights, we will work to remedy the situation. Furthermore, the results of human rights due diligence will be regularly evaluated and, if inadequate, corrected.

### Human rights education and awareness-raising

Lawson provides a broad range of training, education, and awareness-raising programs, including e-learning courses that all employees are required to complete, so that all people involved in its business activities understand the importance of respect for human rights and promote efforts to respect human rights.

**Human rights training**  
[https://www.lawson.jp/en/csr/human\\_rights/](https://www.lawson.jp/en/csr/human_rights/)

### Consultation service for human rights issues

A consultation service contact point for Lawson employees has been established to accommodate requests for consultation and internal reports regarding compliance and risk management issues, including human rights violations.

**Consultation/Whistleblower Hotline**  
<https://www.lawson.jp/en/csr/governance/compliance/>

### Consultation services for all stakeholders

We have established various contact points to accommodate requests for consultation and reports on a wide range of human rights issues. These include a Supplier Hotline for suppliers, a Crew Hotline for store crews, and an Owner Hotline for franchise store owners.

### Stakeholder engagement

Since May 2022, we have participated in the Stakeholder Engagement Program sponsored by the Japan Committee of the Caux Round Table for business leaders. Based on the issues and opinions raised by NPOs/ NGOs, experts, scholars, and others, we will continue to apply these activities to our efforts to promote respect for human rights.

We also provide opportunities for dialogue on human rights with our major business partners, calling for their understanding and support of the Lawson Group Human Rights Policy and sharing the status of our efforts to respect human rights.

#### Affixing “pointing sheets” to cash registers at stores nationwide so hearing-impaired customers can make purchases more easily

In August 2022, we began affixing paper-based communication aids to cash registers at LAWSON stores nationwide to help customers request a shopping bag or plastic cutlery or indicate that they wish food to be heated. The initiative, which is based on feedback from hearing-impaired employees, was launched to make shopping more convenient.

In response to positive feedback from numerous customers who praised it for letting them shop with peace of mind, we created a “communication board” that builds on the aids used at cash registers and made it available on our official website and in our official app starting March 1, 2023. We will continue to strive to realize a society in which everyone can go about daily life with peace of mind by drawing on assistance to help them communicate while shopping.



### Promoting fair transactions

In order to build relationships of trust with its suppliers, Lawson has established The Lawson Group Corporate Conduct Charter and The Lawson Code of Ethics, which stipulate that we conduct fair and transparent purchasing in sincerity and good faith. We dedicate considerable resources to educating employees whose responsibilities include dealing with suppliers to ensure they don't misuse their position of dominance to coerce vendors, and we offer a range of training programs, including e-learning courses for all employees. In 2021, as part of the Declaration of Partnership Building initiative, Lawson declared that it will build new partnerships by promoting cooperation, coexistence, and co-prosperity with suppliers and value-creating businesses in its supply chain. We will promote coexistence and co-prosperity throughout the entire supply chain, new collaborations irrespective of factors like business size and affiliation, and compliance with desirable business practices between the parent company and subcontractors.

 **Lawson Group Corporate Conduct Charter**  
[https://www.lawson.jp/en/csr/policy/action\\_guideline/](https://www.lawson.jp/en/csr/policy/action_guideline/)

 **Lawson Code of Ethics**  
<https://www.lawson.jp/en/csr/policy/ethics/>

### Revising purchasing and procurement policy and raising awareness

In a world of far-flung raw material vendors, a supply chain-wide effort is required to satisfy customers' demand for products and services made in an appropriate environment. We've put in place the Lawson Group Purchasing Policy for vendors to address issues such as customer safety and peace of mind, legal compliance, fair and sound business activities (for example, to eliminate relationships with organized crime and prevent corruption), respect for human rights (for example, to prevent participation in discrimination and human rights violations), and development of an appropriate work environment (for example, to prevent child labor and forced labor, reduce overtime, and ensure payment of fair wages). We give preference to transactions with business partners who support this policy. We've also formulated the Lawson Group Purchasing Policy with the goal of realizing supply chains that are sustainable for the Earth's environment and for society as part of our ongoing drive to achieve sustainable procurement.

 **Lawson Group Purchasing Policy**  
<https://www.lawson.jp/en/csr/policy/transaction/>

 **Lawson Group Procurement Policy**  
<https://www.lawson.jp/en/csr/policy/procurement/>

### Number of vendors to which we've provided information about the Group's policies

(Fiscal year)	2021	2022
<b>Group companies</b>	<b>Number of copies mailed</b>	
<b>Lawson Entertainment</b>	98	98
<b>LAWSON STORE 100</b>	176	175
<b>SCI</b>	263	187
<b>Lawson</b>	718	764
<b>Total</b>	1,255	1,224

### Initiatives with suppliers

#### Business partner questionnaire

In addition, in order to review our own business relationships, we conduct an annual supplier questionnaire, which we ask our suppliers to fill out anonymously as a means of identifying problems and issues in our business relationships. The results of these surveys are reported to management every year, and feedback is provided at divisional meetings and training sessions. We also provide feedback to suppliers who have sent us questionnaires, and present them with the Lawson Group's suggestions for measures for improvement.

In addition to drawing on feedback from business partners to reassess and improve compliance and risk management structures, we've put in place structures to help us work with vendors to resolve issues, for example by identifying and addressing their root causes.

#### Number of questionnaire recipients\* and number of responses

	Fiscal 2020	Fiscal 2021	Fiscal 2022
<b>Number of recipients</b>	1,259	1,265	1,228
<b>Number of responses</b>	972	955	922
<b>Response rate</b>	77.2%	75.5%	75.1%

\*When we conduct multiple transactions with a single business partner, we ask each coordinator to respond to the questionnaire separately.

#### Supplier sustainability questionnaire

In fiscal 2022, we began administering a Supplier Sustainability Questionnaire to review the status of business partners' sustainability initiatives. The questionnaire is designed to solicit information about initiatives undertaken by some 900 suppliers to address issues such as human rights problems and climate change, and to forge collaborative structures to help us work with business partners to resolve social and environmental issues.

We also conduct human rights audits to review the actual status of suppliers' initiatives, and we will continue to work to assess and augment business partners' initiatives in the future while expanding the scope of related reviews alongside the Sustainability Questionnaire.

#### Results of the fiscal 2022 supplier sustainability questionnaire

Targeted suppliers	Number of companies responding	Response rate
857	500	58.3%