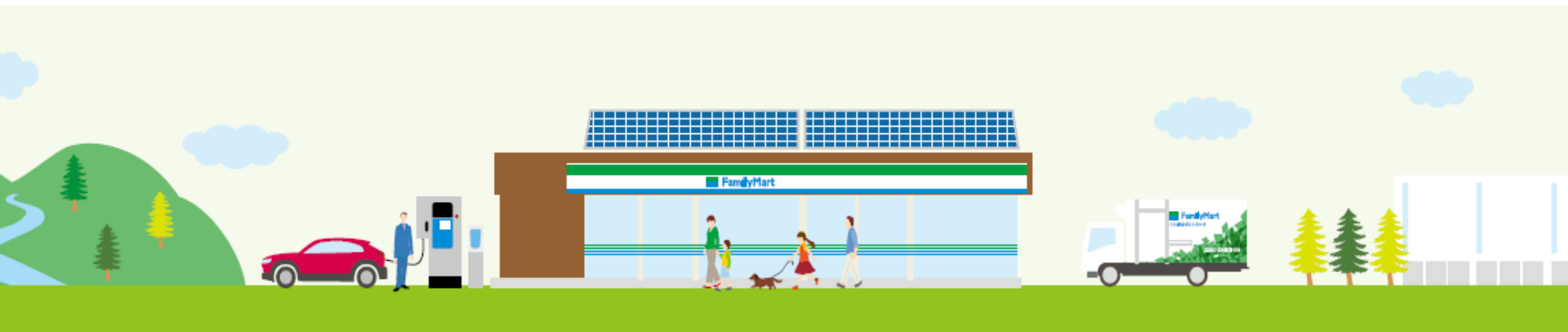




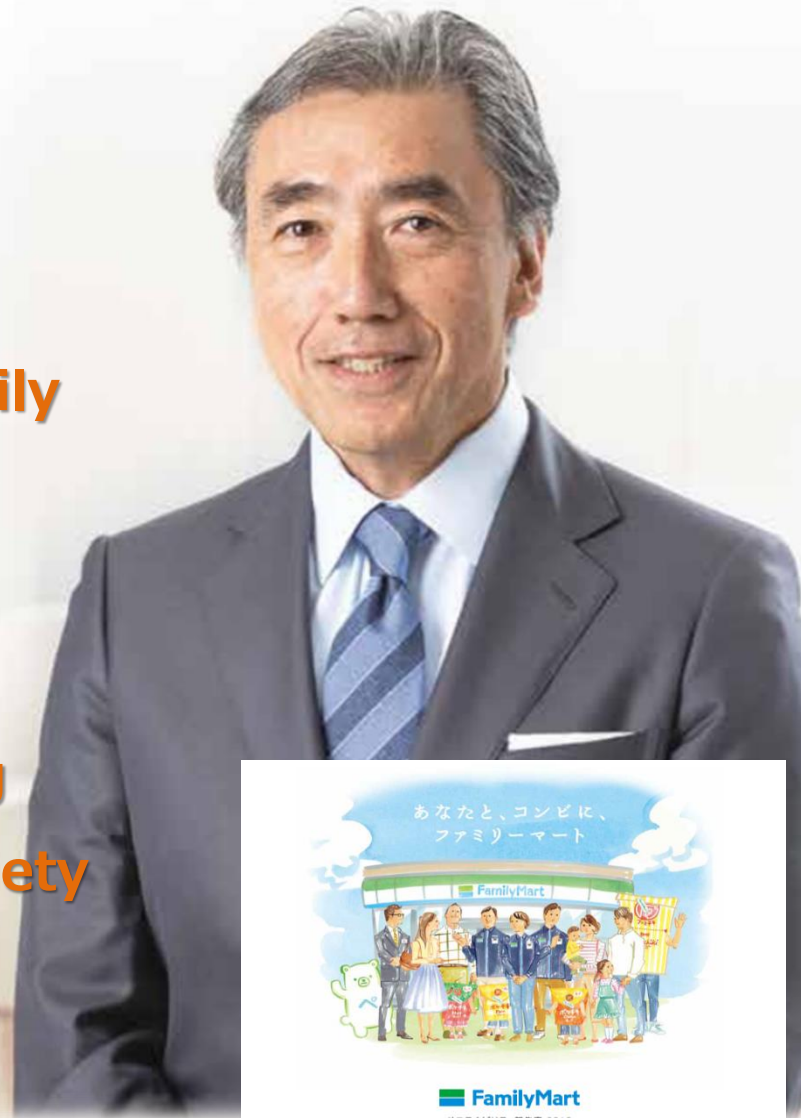
# Fiscal 2019 Sustainability Briefing



February 19, 2020  
FamilyMart Co., Ltd.

**“Becoming a chain more beloved  
by the community than any other”**

- **Our corporate message as our unchanging commitment**
- **Treating local communities as family as the key to our growth**
- **Resolving social issues with a “now or never” spirit**
- **Continuing to evolve while pursuing sustainable growth alongside society**



Taken from Sustainability Report 2019

Scheduled release date: February 19, 2020 1

## 1. New corporate message and Company material issues (materiality)

## 2. Specific materiality-related initiatives

- Materiality 1: Contributing to the future of the earth and its regions through environmental awareness
- Materiality 2: Evolving as a regional revitalization base close to people
- Other materiality and introduction of fundamental Keys

# Celebrating a Reborn FamilyMart



FamilyMart UNY Holdings Co., Ltd. carried out an absorption-type merger of subsidiary FamilyMart Co., Ltd., changing its trade name to "FamilyMart Co., Ltd.," effective September 1, 2019.  
= We are starting anew, as a reborn FamilyMart.

## Family

Corporate Message:  
**FamilyMart, Where You Are One of the Family**

### Our Three Values

1. FamilyMart is a network of small local stores. Each store lives with and owes its existence to the people who live in the neighborhood. We will work earnestly to **become a store that is rooted closely** and evolves as an integral part of the local community.
2. We will do our best to **meet the needs of each customer** who visits our stores. Our stores will provide what the customers want, furthermore, discovery of exciting and high quality products. By doing so, the stores will be a place where people will stop by anytime.
3. We will foster close ties with business partners **like a family** running a small local store. We want customers to feel part of the neighborhood family. We will continue innovating towards comfortable lifestyle which will contribute not only to convenience but also to the wellness of everyone. We will commit to the pursuit of happiness of the “Family.”

# Material Issues (Materiality)

## Our Five Material Issues

## Related SDGs

**1** Contributing to the future of the earth and its regions through environmental awareness



**2** Evolving as a regional revitalization base close to people



**3** Creating safe and reliable products and services to bring convenience and richness to everyday life



**4** Working with suppliers to pursue a sustainable supply chain



**5** Building a motivating work culture with driven employees



## Fundamental Keys

- Joint growth between franchised stores and headquarters
- Enhanced corporate governance
- Thorough risk management and compliance
- Respect for human rights

- Identify materiality based on our corporate message as part of the “new FamilyMart” while remaining aware of their connection with the SDGs
- Formulate an action plan for each item and take concrete steps toward achievement



# Today's Highlighted Material Issues

## Our Five Material Issues

## Related SDGs

**1** Contributing to the future of the earth and its regions through environmental awareness

**Today's Highlighted Material Issues**



**2** Evolving as a regional revitalization base close to people



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## Fundamental Keys

- Joint growth between franchised stores and headquarters
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## Materiality 1

Contributing to the future of the earth and its regions through environmental awareness

Connection with our corporate message: become a store that is rooted closely

**6** CLEAN WATER AND SANITATION



**7** AFFORDABLE AND CLEAN ENERGY



**11** SUSTAINABLE CITIES AND COMMUNITIES



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**13** CLIMATE ACTION





## 1990-

- 1997 Began installation of solar panels
- 1999 Acquired ISO 14001 certification  
Introduced recycling for food products at stores  
Created the “We Love Green,” mark, representing environmental conservation

## 2000-

- 2007 Introduced biomass plastic containers (PLA) for salad products  
Introduced store façades with LED lighting
- 2008 Received certification for food recycling loop system

## 2010-

- 2013 Introduced electric vehicles equipped with fast-charging batteries
- 2019 Introduced delivery trucks fueled with clean diesel

## Paris Agreement

Consensus building in the international community to reduce greenhouse gases



## ESG Investment

Investing trending toward companies focused on ESG (environment, social, governance)

## SDGs

Series of common international goals to achieve by 2030, aimed at creating a sustainable economy and society. Creating a sustainable economy and society that has become a universal international goal by 2030

### SUSTAINABLE DEVELOPMENT GOALS



## FamilyMart Environmental Vision 2050



~FamilyMart Environmental Vision 2050~

### Reduce Greenhouse Gases

CO<sub>2</sub> emissions from store operations

2030

Reduce 40%

(VS 2013)

2050

Reduce 100%

### Plastic Countermeasures

Proportion of environmentally-friendly materials

2030

60%

2050

100%

### Reduce Food Wastage

Food waste from stores

2030

Reduce 50%

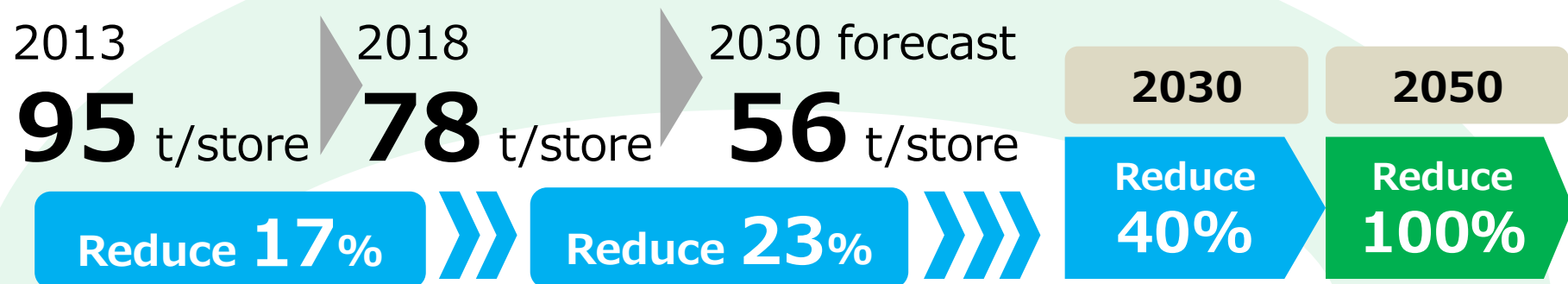
(VS 2018)

2050

Reduce 80%

Medium- to long-term environmental goals put forth to create a sustainable society

## CO<sub>2</sub> emissions from store operations (per store)



Introduction of LED lighting and other energy-saving equipment

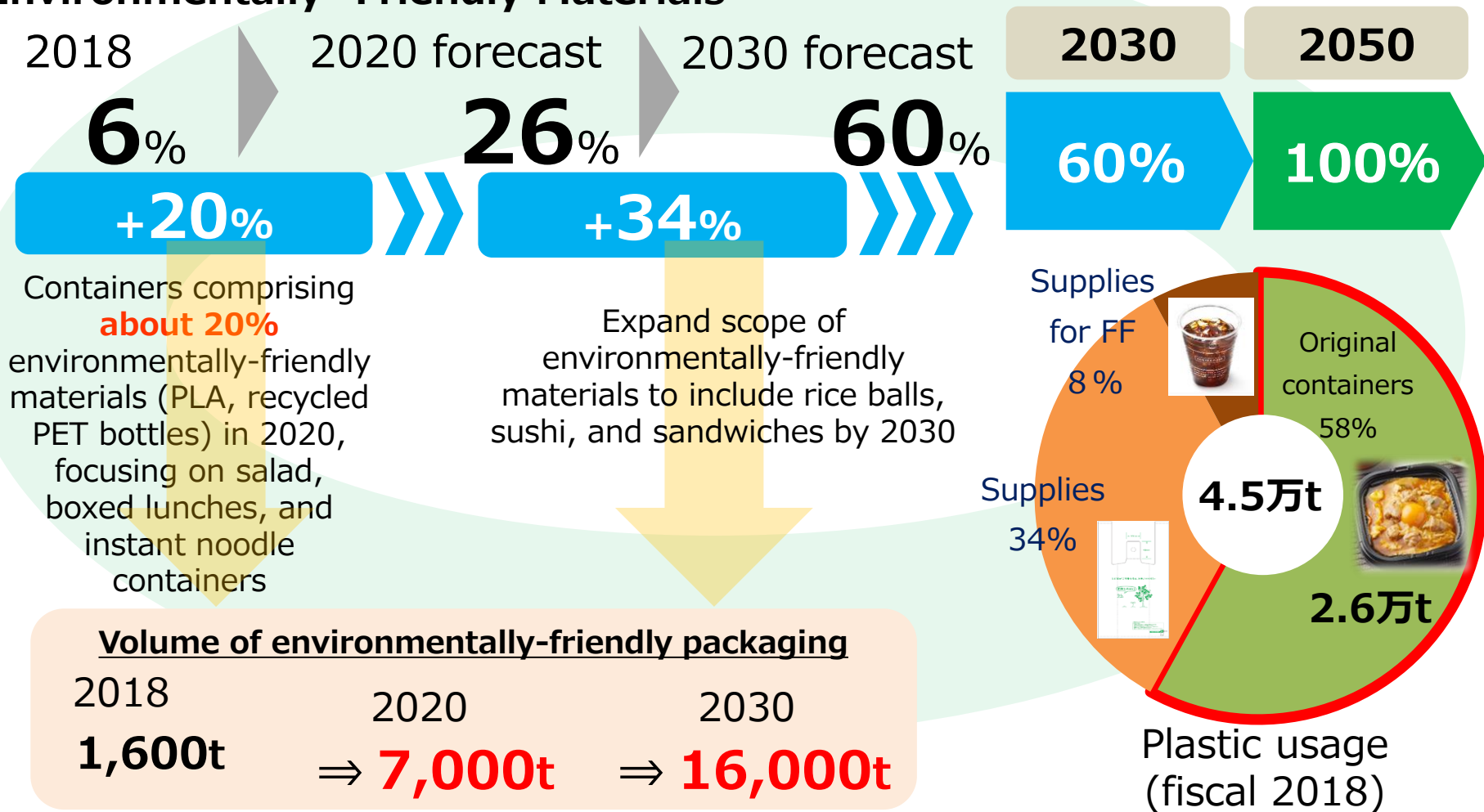


- Introduction of CO<sub>2</sub> refrigerant-based refrigerators and freezers
- Introduction of energy management system
- Full transition of LED lighting



Reduce CO<sub>2</sub> emissions across the entire supply chain while aiming to set targets validated by the Science Based Targets (SBT) initiative

## Environmentally-Friendly Packaging—Original Products Packed Using Environmentally-Friendly Materials



Leverage mandatory charges for plastic bags in July 2020 by increasing the ratio of biomass in bags to 30%, raising ratio of environmentally-friendly supplies and other items to 70%

## Reduce Food Waste from Stores

2030

2050

Reduce  
50%

Reduce  
80%

### Major measures

#### Review sales methods

- Enhance reserve sales for seasonal products

- Improvements to *oden*  
- Revamped from January 2020

Results for FY2019	<i>Doyo no Ushi</i> (eel)	Christmas cakes
Waste-related cost	-80%	-50%
Franchised store profit	-70%	+30%



#### Review production methods

- Expand use of “top sealed” packaging, extending shelf life **by 1–2 days**
- Planned for salads and pasta in fiscal 2020, with further expansion under review

#### Waste-related costs (target products)

FY2019 -30%

#### Review sell-by dates

- Reduce number of disposal checks, extend sell-by limit **by 2 hours**

#### Waste-related costs (target products)

FY2019 -20%

2018 **6** times → 2019 **4** times → 2020 **3** times

Promote efforts to losses at distribution centers by reviewing delivery deadlines

We support the recommendations of the  
Task Force on Climate-Related Disclosures (TCFD)



Promote information disclosure utilizing framework recommended by the TCFD to analyze risks and opportunities related to climate change for business, and financial impact



## Materiality 2

Evolving as a regional  
revitalization base  
close to people

Connection with our corporate message: become a store that is rooted closely

4 QUALITY  
EDUCATION



9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



11 SUSTAINABLE CITIES  
AND COMMUNITIES



16 PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



17 PARTNERSHIPS  
FOR THE GOALS



1990-

1993 Began support for Save the Children Japan  
⇒Donations totaling ¥1.37 billion to date

2000-

2006 Introduced donation boxes for the Connecting Dreams Foundation (beginning support for UN World Food Programme (WFP) and National Land Afforestation Promotion Organization

2008 Began placing bell mark on all rice balls

2009 Introduced the Thank You Letter Contest

2010-

2017 Formulated Sustainability Policy  
Joined UN Global Compact

2018 Formulated Sustainability Procurement Principles and Supply Chain CSR Code of Conduct

## Thank You Letters



Started in 2009 to support the next generation

Ongoing initiative for approximately **10** years

Over **320,000** total  
applications  
(roughly **40,000** in 2019)

Head of Judging Panel:  
Akira Ikegami

- Contest aimed at elementary students across Japan to teach the importance of communication and expressing appreciation
- Supported by the MEXT from 2019, with over 40,000 in the same year



## Famima Kodomo Shokudo (FamilyMart Children's Cafeteria)

Launched April 2019,  
with **310** events in  
under a year  
Approximately **3,700**  
participants



- The open concept allows a variety of families to interact at FamilyMart eat-in areas are helping invigorate local communities
- Limited to participating franchised stores at no cost to the stores



## Famima Circle

Started in December 2019

A unique initiative inviting elderly community members to gather at eat-in areas in various regions and hear lectures from police officers about license renewal and fraud prevention



- Created from the perspective of members of local communities—family members—to help prevent accidents caused by elderly drivers and prevent suffering from phone fraud.
- We provide eat-in spaces and work with police to help resolve local community issues

# Other Materiality and Fundamental Keys

## Our Five Material Issues

## Related SDGs

**1** Contributing to the future of the earth and its regions through environmental awareness



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**4** Working with suppliers to pursue a sustainable supply chain



**5** Building a motivating work culture with driven employees



## Fundamental Keys

- Joint growth between franchised stores and headquarters
- Enhanced corporate governance
- Thorough risk management and compliance
- Respect for human rights

# Other Materiality and Fundamental Keys

## Materiality 3

Creating safe and reliable products and services to bring convenience and richness to everyday life

- Improve convenience through digital promotion

4.4 million downloads



- Provide products and services that improve health and happiness

Smart Meal certification for reserved lunch boxes



## Materiality 4

Working with suppliers to pursue a sustainable supply chain

- Fair and transparent transactions with suppliers
- Build responsible supply chain management



## Materiality 5

Building a motivating work culture with driven employees

- Promote diversity and women's success
  - Promote workstyle reforms and a positive work environment
- Formulate Health Charter

## Fundamental Keys

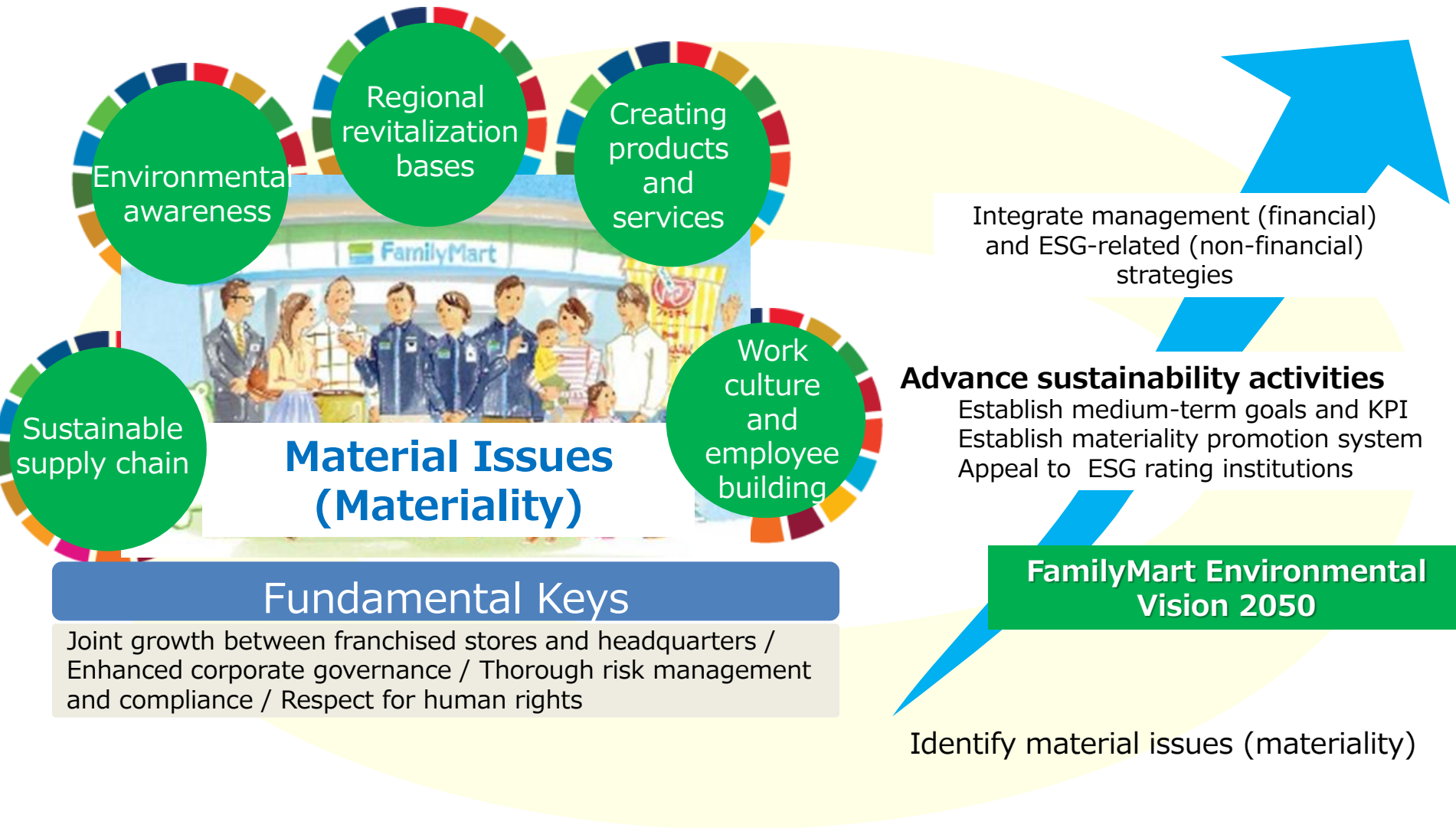
Joint growth between franchised stores and headquarters  
Enhanced corporate governance  
Thorough risk management and compliance

### Respect for human rights

Support international standards as a member of the UN Global Compact  
⇒Promote future supply chain initiatives in the future



# Direction of Future Sustainability Activities



By pushing our sustainability to the next level, we will help build a sustainable society and raise corporate value

