

# Materiality 5

## Building a Motivating Work Culture with Driven Employees

Diversity  
Mission

### like Family

The power of diversity. A bright, shining and vibrant future for everyone.



### Social Background and Issues to Recognize: Significance



The retail industry faces intensifying competition in an environment that pits us against other kinds of businesses, including drugstores and online sellers. Other ongoing challenges include consumers who continue to prioritize low prices and a labor shortage in stores and distribution. There are social challenges as well. Japan faces a declining birthrate and a population that is aging and declining overall. As these phenomena worsen, the working population will make up a smaller percentage of the total. Other developments are the increasing urbanization of Japan and changes in family structures.

Such changing demographics and changes in the social structure complicate the challenges we face. Businesses are expected to help raise the labor participation rate and boost labor productivity by improving workplace environments so that diverse human resources can play active roles, and by establishing systems that allow for flexible working styles. Businesses also have to promote the concept of “decent work.” Among other things, this means developing workplaces that are safe and healthy for employees, practicing fair employment and promotion, and providing fair evaluation and treatment.

One of our strengths is the rich diversity of our organization gained through mergers and management integrations. To achieve ongoing growth as competition intensifies and society changes rapidly, we need to draw upon our strengths of diversity and inclusion. The most important thing to do in order to respond to society’s changes and needs is to form a corporate culture where employees can think freely and thereby create value.

### Vision: Approach to Our Initiatives

The idea behind our “like family” diversity mission is the desire to be like a family that accepts differences naturally and supports each other by offering a helping hand when others are in need.

We strive to be a company where employees can participate actively and excel at their jobs while remaining true to themselves, and combine their individual diversity to create new value. Our aim is to build a bright, shining and vibrant future for our customers, communities, franchised stores, and all other stakeholders.

### Measures Taken

- Promotion of diversity and inclusion
- Work-life balance and workstyle reform
- Human resource development and training
- Creating a safe, healthy, and comfortable workplace environment

# Promotion of Diversity and Inclusion

## Issues to Recognize

Toward a society in which diverse human resources respect each other's values and ways of thinking and have equal opportunities to participate and excel, regardless of race, nationality, religion, sex, age, disability, gender identity, or sexual orientation, corporate management is expected to promote diversity.

As Japan faces anxiety from a declining working population, promoting diversity promises to increase productivity and the labor participation rate, and may even help solve social issues through the innovation that emerges from the interactions and stimulation of diverse human resources.

## Management Approach

With nationwide convenience stores practicing community-based management as FamilyMart advocates, we welcome many customers every day. Each region has its own challenges, and to address the varied needs of our customers, all of the diverse store staff members and diverse employees who support stores must play an active role and draw on their own unique talents to find solutions. Promoting diversity to cultivate an environment where everyone can contribute is a truly fundamental part of business grounded in the community. We promote diversity as a key strategy linked to competitiveness.

## Key Accomplishments and Performance in FY2019

- Included in the MSCI Japan Empowering Women Index (WIN)

### 2020 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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- LGBT Ally activity launched (March 2020)

## Targets and KPIs

### KPIs: Our Vision

- Ratio of female managers: **10%**
- Ratio of female employees: **20%**

### Results as of February 2019

- Ratio of female managers: **3%**
- Ratio of female employees: **16.3%**

## Future Activities

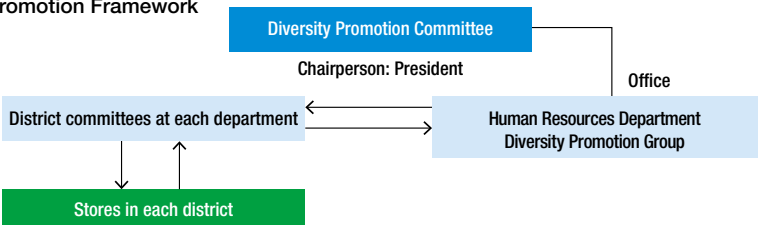
- Driving efforts to create ties across divisions to promote innovation
- Holding online diversity meetings

## Diversity Promotion Framework

The Diversity Promotion Group under the Diversity Promotion Committee consisting of executives and chaired by the President, leads strategic initiatives in steadily promoting diversity as an important management strategy. Plans and targets are discussed and decided at semiannual committee meetings where progress is reviewed.

Initiatives are promoted by district committees at headquarters and regional departments, chaired by local general managers. To address various local challenges with a sense of speed, district committee members work autonomously but considers diversity with input from others. Each Area Division also lays out its local challenges and guides diversity efforts at each store.

### Diversity Promotion Framework



**Toshiyuki Kakimi**  
Executive Officer (CAO) and General Manager, Management Division

## Toward a Motivating Work Culture with Driven Employees

FamilyMart's past mergers and management integrations have led to diverse human resources, which we consider invaluable assets. As our business environment undergoes significant transformation from a declining population, changes in consumption structure, and the rise of e-commerce, responding promptly and appropriately requires a continuous evolution of our diverse workforce. Building a motivating work culture with driven employees is a material issue for FamilyMart.

We firmly believe that cultivating this supporting workforce, fostering a culture in which everyone can play an active role, and promoting safe and motivating workplaces will lead to a bright future and growth for our company.

By maximizing our value with the power of diversity, we aim to be a chain loved by all, connected to local communities "like family," and growing continually with these communities.

Promotion of diversity and inclusion

Other diversity initiatives in fiscal 2019  
https://www.family.co.jp/english/sustainability/material\_issues/diversity/diversity/report\_diversity.html

Promotional Policies and Concrete Initiatives

We promote diversity and inclusion by creating workplace environments where people respect each other's individuality, characteristics, and ways of thinking regardless of race, nationality, religion, sex, age, disability, gender identity, or sexual orientation, and all employees can actively participate.

We are particularly encouraging respect for diversity among all employees and self-directed action to maintain a culture of diversity. We are therefore expanding existing systems and improving our corporate culture through executive commitment, appropriate leaders, and bottom-up action.



Executive Commitment

- **Diversity Promotion Committee: Ongoing**  
**Since September 2017**  
The Diversity Promotion Committee, chaired by the President, practices KPI management.
- **Diversity and Me Ongoing**  
**Published since November 2017 to encourage the culture we seek**  
Executives share their thoughts on diversity through written and video messages. To continue fostering a culture of diversity, the managers express their commitment and share challenges with employees.



News on promoting diversity

Appropriate Leaders

- **Diversity management training (all section managers): April–July 2018**  
Participants reflect on their own management style and gain a deeper appreciation for diverse employees through role-playing.
- **Unconscious bias and harassment prevention training Ongoing**  
**(all managers): since November 2018**  
Teaches about unconscious bias, cited as the most common barrier to maintaining diversity, and how to control it. Fostering a corporate culture free of harassment is also studied.



Diversity management training

Bottom-up Action

- **Diversity surveys on employee awareness: since February 2017 Ongoing**  
Quarterly surveys check employee awareness. All results are shared, which helps each organization identify issues and understand their team mindset. Useful for continuous improvements. On a local level, June 2020 survey results showed organizations evolving to make the most of diversity amid great changes in society and working styles in the wake of COVID-19, although issues remain across the company. Top-down approaches will continue to be strengthened and appropriate leaders ensured, in pursuit of workplaces that capitalize on diversity.
- **FamilyMart Women Project (FMWP): since October 2017 Ongoing**  
Carried out by the female members themselves, this network-building initiative seeks growth and positive change both for the participants and FamilyMart.
- **Diversity Awards: since FY2018 Ongoing**  
Annual diversity awards draw entries of initiatives that channel diversity, create new value, and produce results, with the best teams chosen by the audience. Provides a forum to share, learn from, and commend district committee initiatives, among other activities.
- **Diversity district committees: since March 2018 Ongoing**  
Acting on the belief that gender is irrelevant in improving the company, FMWP College graduates began forming diversity district committees in all divisions the next year to channel the diversity of all of our unique employees and create new added value as a team. The committees are creating new value and overcoming challenges to attain the diversity mission.



FMWP members



Diversity Awards

Promotion of diversity and inclusion

Promoting Active Roles for Women

Fulfilling customer expectations requires companies to employ people who understand these needs and can act on them. Although the female workforce at FamilyMart remains relatively small, we are actively working to provide opportunities for women to contribute, which is recognized as a key management issue. In promoting greater participation, we have been actively hiring women among new university graduates, but across the company, the ratio of female employees is growing at a very slow pace. For women-friendly workplaces, we are proactively improving parental leave, caregiver leave, and similar programs and implementing workstyle reforms to ensure reasonable working hours. To address the dearth of female managers serving as role models despite our efforts to date, we are expanding measures to prepare promising candidates for promotion to management, as by fostering this awareness through opportunities to attend external interdisciplinary training for the next generation of female leaders. Internally, we have held career seminars for young employees and organized the FMWP and district committee initiatives. Female employees excelling at FamilyMart have become more common.

We will continue to support professional fulfillment and active participation of female employees by accurately evaluating aptitude and capabilities and helping create a lifelong career vision.

Main Career Development for Female Employees

Female supervisor development (encourages role models)	Development of female supervisors by participating since fiscal 2017 in the interdisciplinary <i>Eijyo</i> College project empowering women in sales
Career Design Seminars	Seminars to assist third-year female employees in designing their career and envisioning their growth over the medium term
Women's Development Training Plan	Female managerial candidates are invited to joint external interdisciplinary training
Life & Career Design College	Male and female employees and others returning after childcare leave learn how to ensure a smooth transition to work and balance work and parenting

Promoting Active Roles for Disabled People

People with disabilities fare encouraged to excel at a wider selection of store and headquarters jobs, and fuller support is now available. To this end, a dedicated Work Support Group was established in fiscal 2019, which oversees routine tasks requested by various departments, matching them with disabled employees and providing attentive support as needed. FamilyMart has met the statutory employment rate and is seeking expanded employment and a more receptive corporate culture in line with an increase in 2021.

Supporting Participation by Elder Employees

In fiscal 2006, we introduced a system for the re-employment of post-retirement employees after the regular age limit, until the age of 65. Proactive support includes accommodating the working preferences of elder employees and matching skills and capabilities acquired over long careers to suitable roles. Employees wishing to continue working after the usual retirement age of 60 serve as valuable assets to our business.

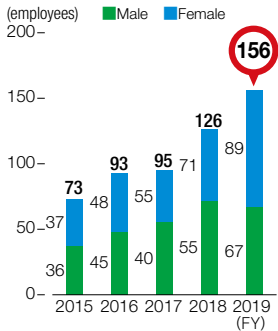
Opportunities for Non-Japanese Employees

Our recruiting doors are open to new graduates and mid-career workers of all races, nationalities, and religions. Skills and abilities determine positions, and these new members can receive language training and business skills and serve in a variety of capacities, including as supervisors and headquarters staff.

These employees are introduced in *Diversity News* and receive questionnaires to ensure that there are no problems at work. In these ways, we foster a culture of mutual respect and understanding.

Non-Japanese Full-Time Employee

As of the end of each fiscal year



Initiatives for the LGBT Community

Initiatives for the LGBT community began in fiscal 2019 as part of promoting greater understanding and acceptance of diversity. Knowledge and understanding are enhanced through LGBT seminars and online video lessons and a handbook. Employees with questions can learn more from a contact center for this purpose. As a starting point for these activities, stickers with the “LGBT Ally”\* logo are also distributed to declare in a tangible way that we are allies. Having kicked off Ally activities in March 2020, we will continue working to enhance the psychological safety of our organization by expanding the circle of LGBT allies as we raise awareness for understanding and support, toward a corporate culture offering a bright, shining, and vibrant future for everyone.

\* Ally: Someone who understands and actively supports the LGBT community.



# Work-Life Balance and Workstyle Reform

## Issues to Recognize

Work-life balance has gained importance in recent years from a greater awareness of labor compliance, and as the information society has taken off and people's thinking and lifestyles have changed, ways of working are rapidly becoming more diverse.

This environment obligates enterprises not only to manage labor well but also to maintain systems accommodating flexible working styles, in order to create workplace environments where it is easy to continue working and derive job satisfaction.

Companies must also take on the issues of rectifying long working hours that undermine health and ways to improve productivity that are effective in the short term.

## Management Approach

Work-life balance is promoted at FamilyMart as indispensable to corporate growth enabling an organization and culture in which everyone can demonstrate their abilities and continue to work regardless of their life stage. In line with the workstyle reform declarations led by top management, we seek improved working environments and higher productivity from an awareness of workstyle reform among all employees and systematic business execution and business improvements.

## Key Accomplishments and Performance in FY2019

- Total actual annual work hours  
Medium-term target of 2,000 hours met ahead of schedule  
**1,968 hours** in FY2019  
(2,041 hours in FY2018)
- Number of days of paid leave taken  
**13.2 days** in FY2019  
(9.7 days in FY2018)

## Targets and KPIs

### KPIs for FY2020

- Annual paid leave taken: **70%**
- Short-term childcare leave taken: **100%**
- Spouse maternity leave taken (by male employees): **100%**

### Results as of February 2019

- Annual paid leave taken: **73.1%**
- Short-term childcare leave taken: **35.4%**
- Spouse maternity leave taken: **54.7%**

## Future Activities

- Implement work improvements through committee activities by each division
- Strengthen labor management of store workers



## Enhancing Childcare Support

Since implementing our system for childcare leave and reduction of working hours for childcare in fiscal 1992, we have established and expanded on childcare support programs for different life stages and supported employees who work while raising young children. Another focus is providing seamless support to employees from the birth of their child through to after they return to work, as by giving returnee training before employees resume work following parental leave and supportive supervisor interviews when working again. In recent years, the belief that employee work-life balance makes families happier and helps advance company-wide workstyle reform has led to stronger support for men to help raise their children.

Employees can use the system of reduced working hours for childcare until children are in their third year of middle school. Originally available until the third year of elementary school, it was extended in March 2017 to respond to increasingly diverse lifestyles and meet the needs of each employee. The system is also easier to use. Instead of a one-time leave per child, employees can start and end leave as often as needed during the period.

Over many years, these initiatives have fostered a corporate culture in which everyone can build their careers while raising children, regardless of position, job, or sex, and where more managers and supervisors, for example, are working short hours and more male employees are taking parental leave.



Main child-rearing support programs

[https://www.family.co.jp/english/sustainability/material\\_issues/diversity/diversity.html#tab2](https://www.family.co.jp/english/sustainability/material_issues/diversity/diversity.html#tab2)

## Addressing Employee Needs and Feedback in Expanded Programs

To support a balance between childcare and work, we actively act on employee feedback when expanding these programs. One example is a system benefiting parents who use company-owned cars. Employees who commute in company vehicles can drop off or pick up their preschoolers at a nursery or daycare center with that car. The program was inspired by a suggestion from an employee who is also a parent at a workstyle reform session involving the President and employees. Employees have praised the system as helping them use their time effectively and affording peace of mind because their children are also covered by the car insurance.

## Support in Nursing Care

Expanded employee benefits also respond to Japan's declining birthrate and aging population, which require more people to work while caring for a family member. Nursing care leave of up to 365 days can be divided into three periods, and employees can also work shorter hours as needed when providing care. To ease the stress of sudden nursing care needs, we distribute a handbook with a clear overview of the program and insight from caregivers, besides introducing it on the intranet, as part of efforts to raise awareness and help employees anticipate these needs.



## Work-life balance and workstyle reform

### Promoting Workstyle Reform

Although workstyle reform calls for expanded employee programs, real change requires ownership and diligence by each employee. We are reforming workplace environments and our culture under a key workstyle reform concept of “change,” aimed at being individuals and an organization that finds solutions responsive to changing times, that can adapt, and that can also change our circumstances.

One particular initiative seeks to reduce long work hours, with a previous KPI of reducing total actual work hours per person to 2,000 a year by fiscal 2020. We have been working as a team to improve our working environment in line with workstyle reform declarations with specific targets set by the President and other leaders. This medium-term target was met ahead of schedule in fiscal 2019, and we intend to meet it again in fiscal 2020.

#### Specific Initiatives

Limiting work time	Company-wide rules of “no-overtime days” (every Wednesday) and finishing work by 8 p.m. (every day) to innovate our working styles
Paid leave in one-hour units	Paid leave can be taken on an hourly basis from annual paid leave days (since February 2019)
Fixed days off company-wide on national holidays	About 90% of national holidays are fixed company-wide days off to encourage employees to take time off
Visualizing work time	Data on office access and company car operation is linked to an attendance management system for an accurate grasp of work time and to support suitable work time management
Labor management of staff at directly managed stores (including part-time workers)	E-learning and online training is conducted for appropriate management of working hours of staff at directly managed stores and others
Establishing a special labor-management committee on time management	To ensure that the attendance management system is functioning as intended and help prevent long work hours, employee working hours are checked jointly by labor and management each month, and superiors of employees at risk of overwork are alerted

#### TOPICS

#### Support for Male Employees to Take Part in Childcare

We believe it can be a valuable experience of striking a good work-life balance when employees play an active role in the birth and parenting of a child. The more male employees who play an active role in childcare, we believe, the greater the awareness of and sensitivity to working styles across the company. We are aiming for everyone to use both the spouse maternity leave and short-term childcare leave\* programs, among other efforts to increase men's parenting opportunities. The latter is easier to take because the period is shorter than parental leave, and many employee families have expressed appreciation.

\* Short-term childcare leave (*suku suku kyuka*): five-day parental leave available once a year to employees with children up to first grade



**Takashi Sawada**  
Representative Director and President

## Let's Change

### Changing the Company and Ourselves – We Can Do It

**Changing ways of working, changing life, appreciating strength in diversity, and applying innovation at work**

#### Occupational Initiatives

For more convenient commuting, we advise supervisors who often travel between stores or other places to live near their workplace. For a better work-life balance, we strive to help employees temporarily stationed away from home return as soon as possible, and in fiscal 2019, the scope of these employees was reduced by about 200 year-on-year. We will continue to pursue these initiatives focused on occupational characteristics.

#### Initiatives in Each Division

In each division, leaders establish workstyle reform declarations that include the division's reform intentions and targets, which are shared internally on the intranet. As the efforts are promoted, progress is reviewed semiannually.

#### Initiatives to Reform Corporate Culture

The most critical driver in changing corporate culture is leaders' awareness, and to encourage our leaders to take work-life balance seriously for their colleagues and themselves and spearhead a variety of working styles, we have joined the IkuBoss Corporate Alliance\* and made an IkuBoss Declaration. We will continue to reform our corporate culture through this and an array of other efforts, including company-wide sharing of managers' tips on managing work hours on the intranet, posting work-life balance experiences on the Famima Life Plus employee benefits site, and providing all employees with work environment/labor management e-learning.

\* IkuBoss: Executives and managers who consider members' work-life balance, support them in their careers and lives, and can enjoy their own work and personal lives even as the organization produces results.

\* Ikuboss Corporate Alliance: A network of businesses that recognize the need for “IkuBosses” and are actively changing their own managers' awareness and fostering ideal superiors for a new era.

# Human Resource Development and Training

## Issues to Recognize

Greater competitiveness and sustained growth call for systematic development programs that build employee capabilities and help them reach their full potential. Strategic support of employee career development has also gained importance.

Success in a more competitive environment with varied consumer preferences and pressure from other kinds of businesses also depends on the key task of securing and retaining superior human resources, which is difficult under the serious labor shortage at stores and in logistics in the convenience store industry.

## Management Approach

Three human resource strategies support sustained growth at FamilyMart: human resource development, appropriate placement/periodic rotation, and human resource hiring. Supporting systems and mechanisms are created so that employees with diverse capabilities and expertise can contribute and grow. In human resource development in particular, we are enhancing self-directed training and helping ambitious workers grow to develop human resources who can spark innovation and create new value.

## Key Accomplishments and Performance in FY2019

- Created the Human Resources Recruiting & Development Department, reinforced career and skill development through an overhauled employee training system

## Targets and KPIs

### KPIs for FY2020

- Training per employee: **8.7** hours annually
- For easier employee career planning, organize level- and occupation-specific job requirements, and review the job ranking system
- Revise evaluation/compensation systems encouraging employees to demonstrate job skills

### [Results as of February 2019]

- Training per employee: **7.9** hours annually

## Future Activities

- Strengthening expert training in each division
- Organizing human resource data



## Human Resource Development

An employee training system established under the direction of a dedicated training department helps employees take the initiative in career development. Specifically, systematic development includes company-wide training focused on business skills and topics geared to certain ranks and ages, and, to build skills and expertise needed by individual divisions, business training effectively incorporating on- and off-the-job training.

In view of increasingly diverse social and consumer needs and greater retail competition in recent years, we established the new Human Resources Recruiting & Development Department in fiscal 2019 and are revising our training system to step up development of supervisors and new employees.



**Hiroaki Yamanaka**  
General Manager,  
Human Resources  
Recruiting &  
Development  
Department,  
Management Division

### Human Resource development to execute company-wide strategies and embody FamilyMart's basic principles

My department at FamilyMart was established in fiscal 2019, when we also revised company-wide training systems. Our goal is to foster human resources that will help implement company-wide strategies and embody FamilyMart's basic principles. We are also promoting digitalization, which includes training online and organizing human resource data.

### Updated company-wide training

At a time of radical change in the external environment sometimes described with VUCA,\* times are changing in ways that require employees to have different skills. Conventional training is not enough. More than before, companies need people who can change and adapt quickly. We need leaders who can solve management issues and plan mid- to long-term strategy. This calls for training of next-generation executives and human resources with sophisticated, highly specialized skills – training to give people these knowledge and skills. To address these management issues, we updated our training system. In the new system, we have clarified the required knowledge and skills by job type and duties, and we have organized training in four areas: advancement, selection for positions, job type, and applicable company-wide.

### Digitalization of Human Resource development

We have launched an internal human resource development portal site and deployed a new learning management system for central management of employee progress in learning. Training has also been streamlined by preparing an environment where it is easier to learn anytime, anywhere with e-learning and online training. My department will continue to expand internal education and improve the learning environment through this training system and digitalization, aimed at human resource development to take on issues in management.

\* VUCA: an acronym for four elements of instability: volatility, uncertainty, complexity, and ambiguity

## Human resource development and training

### Employee Training System

Job Ranking System	Promotion Training	Selection Training	FM Business Skill Training	FM Core Skill Training	Personal Development Support
Managers	<div>D-rank promotion training</div> <div>L-rank promotion training</div>	<div>D-rank selection training</div> <div>L-rank selection training</div> <div>FM Future Leader Training</div>		<div>Understanding of FamilyMart business</div> <div>Executive training</div> <div>Corporate Message</div> <div>Environmental beautification activities</div> <div>Information management</div> <div>CSR activities</div> <div>Compliance</div> <div>Labor management</div> <div>Laws on subcontracting</div> <div>Franchise agreement</div> <div>Store accounting</div>	<div>Work knowledge and skills / e-learning</div> <div>Business skills / e-learning</div>
Non-managers	<div>S-rank promotion training</div> <div>M-rank promotion training</div> <div>5th year training</div> <div>3rd year training</div> <div>Training after hiring</div>	<div>Training for manager candidates</div>	<div>Supervisor education</div> <div>Product education</div> <div>Development education</div> <div>Education for those in Information Systems Division</div> <div>Education for those in Finance &amp; Accounting Division</div> <div>Education for those in Management Division</div>		
Pre-hiring	<div>Orientation for prospective employees</div>				

## Appropriate Placement and Periodic Rotation

By giving employees the option of a multi-track career course with periodic rotation, we can offer them the experience of a varied career path with an array of duties. For example, an employee with extensive experience as a supervisor can advance to management or become a specialist or manager in their division. Transfers are made from a comprehensive assessment of the person's requests and qualifications and the company's needs to place employees appropriately.

Conventional internal recruitment is supplemented by a unique career-point system that prioritizes transfer requests from outstanding employees, along with a self-reporting system. These programs actively support employees who take the initiative in their own career development.

## Human Resource Hiring

Each year, FamilyMart hires new graduates from vocational schools, universities, and graduate schools. As career education, we give the graduates a variety of workplace experience, including work as a supervisor, and hold workshops such as discussion forums with current employees.

### TOPICS

#### Self-Reporting System

Under this system, employees can voluntarily express their intentions at meetings with supervisors to discuss their mid- to long-term career vision. Meetings yield insight on current tasks and what employees need to know and do along their career trajectory, but besides personal growth, the system affords valuable opportunities to gain a shared awareness with supervisors on employee concerns or family matters.

#### FM Future Leader Training

FM Future Leader Training was held from July to December 2019 to cultivate future FamilyMart executives.

Group work and other activities provided direct instruction from external lecturers and executives and a review of management issues to develop human resources with a broader perspective. At introspective, self-exploratory outdoor workshops and similar events, participants reflected on their ideal style and core strengths as leaders. Training concluded with participants presenting their view of management issues, a plan for innovation in their division, and a declaration of leadership, followed by dialogue with FamilyMart executives.

#### Training Details

- A conversation with the President on responding to changes in the external environment
- Learning from leaders in transformation
- Self-discovery, fieldwork
- Polishing up presentations
- Presentations by individuals



A fieldwork



Concluding presentation

Workshops offer opportunities for group work on finding solutions and proposing ideas for specific jobs. Feedback has been positive, and students have appreciated the insight on the state of the convenience store industry and the work performed.

New employees acquire work skills and expertise step by step in our original training program, which is designed to be immediately useful to them. Recruitment for mid-career hires is also expanding. By securing highly skilled human resources, we aim to enhance FamilyMart's specialized functions and improve business performance, and to retain these professionals who are valuable in the market, we established a new job ranking system in fiscal 2019.



# Creating a Safe, Healthy, and Comfortable Workplace Environment

## Issues to Recognize

Ensuring the health and safety of employees is one of a company's most important obligations. Enterprises are expected to systematically promote industrial health and safety measures under the exemplary leadership of their top management, to prevent occupational accidents and injuries, maintain and promote health, and create safe, healthy, and comfortable workplace environments. Recent years have seen an increase in lifestyle disease and mental illness in Japan. Enterprises must be proactive in addressing these modern health challenges.

Meanwhile, the declining birthrate and aging population are inflating social welfare costs, which also presents a challenge. Stronger efforts to promote health, including prevention of disease and the need for nursing care, are expected in order to keep the nation healthy in old age.

The spread of COVID-19 presents enterprises with another health challenge to respond to, and they are expected to ensure both employee safety and business continuity.

## Management Approach

Employee health and safety is one of our foremost priorities in corporate management and fundamental to peak employee performance. Under the leadership of executive management, health and productivity management is therefore promoted based on the FamilyMart Health Charter. As outlined in the Charter, keeping our employees healthy is only the start. FamilyMart is also committed to the health and happiness of our customers, franchisees, business partners, and all other stakeholders.

## Key Accomplishments and Performance in FY2019

- FamilyMart Health Charter established (October 2019)
- Recognized in the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)



## Targets and KPIs

### KPIs for FY2020

- Percentage of overweight employees with BMI  $\geq 25$ : Currently 35%  $\Rightarrow$  reduce **5%**
- Smoking rate: Currently 35%  $\Rightarrow$  reduce **5%**
- Rate of skipping breakfast: Currently 21%  $\Rightarrow$  reduce **5%**

## Future Activities

- Recommending specific health guidance
- Starting a program to help employees quit smoking
- Holding health seminars
- Providing information in the health newsletter
- Walking for fitness project
- Making stretching/exercise videos available



## Establishment of FamilyMart Health Charter

To further strengthen measures on employee health and safety and emphasize our stance internally and externally, we established the FamilyMart Health Charter in October 2019. The Charter forms the basis for health and productivity management in the belief that stakeholder health is fundamental to our future vision.

### FamilyMart Health Charter

Recognizing that the health of FamilyMart's employees and all of our stakeholders is foundational to achieving the future we aim for, FamilyMart has established its Health Charter as follows.

#### 1. Creating a workplace environment where employees can work in health

FamilyMart will work to create an environment in which employees, mentally satisfied and physically healthy, can enjoy the challenges of their jobs.

#### 2. Voluntary action by employees for health

Employees will take responsibility for their own health and take voluntary action for the sake of long and rich lives.

#### 3. Contributing to the health of all of our stakeholders

FamilyMart will help to bring a healthy and joyful future to franchisees, customers, and all of our other stakeholders by taking initiatives to encourage health and providing products and services that contribute to mental and physical health.

Takashi Sawada  
Representative Director and President

## Creating a safe, healthy, and comfortable workplace environment

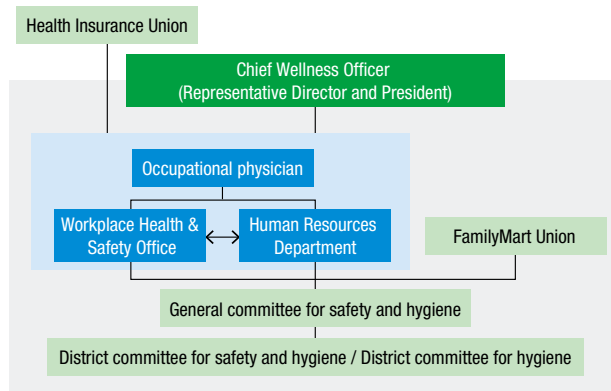
### Framework for Promoting Health and Productivity Management

The health management system in place, with the President as chief wellness officer, ensures employee health and safety as a key management strategy. These strategic efforts in concert with occupational physician, public health nurses, the health insurance union, and labor union are centered on the Human Resources Department and Workplace Health & Safety Office.

The Workplace Health & Safety Office is staffed by one supervising occupational physician and three public health nurses. A system is in place to monitor each employee's health. We have also implemented a health management system for central management of employee health, which facilitates planning and improvement of health measures.

Toward better offices and working environments in each district, at both mandated workplaces and sites with fewer than 50 employees we have introduced monthly meetings of a committee for safety and hygiene, attended by the occupational physician. These meetings strengthen safety and hygiene knowledge of workplace members, and, through discussions between labor and management, help improve workplace environments.

#### Health Management System



\* District committee meeting are held at 13 sites nationwide.

### Initiatives to Manage and Promote Health

We are taking a variety of measures in accordance with a hierarchy of health risks, focused on four key health issues: lifestyle diseases, cancer, dementia, and mental illness. Employee health literacy is enhanced by a health portal site, health seminars, and health events led by district health committees and unions. In these ways, we are expanding measures to change employee awareness and behavior for the better. Results of health exams, health awareness surveys, and stress checks are used to evaluate the effectiveness of these measures, which is useful when adjusting programs and planning new measures.

As of fiscal 2019, we are setting targets for health and enhancing our initiatives to achieve them.

### Expanded Cancer Initiatives

Cancer initiatives reflect our belief that this disease requires early detection and preparedness. For early detection, we advise people 35 and older to receive a standard, thorough medical exam, and we provide support in receiving cancer exams once every five years for people of this age. As a corporate member of an organization for corporate action to promote cancer measures,\* we collect various information on cancer measures and keep employees informed.

Additionally, we have introduced a system for support with advanced medical assistance for cancer, just in case. This system subsidizes the cost of advanced medical care for cancer for those diagnosed with the disease, in the belief that it will be helpful in this case.

\* A national project commissioned by the Ministry of Health, Labour and Welfare with companies and organizations aiming for 50% participation in cancer screening

### Mental Health Initiatives

#### Stress Checks

Stress checks are conducted for prevention and early detection of mental health issues. We encourage employees to take the exams regularly as a stress management tool for objectively monitoring their stress. They are available at any time, as many times as needed.

#### Consultation System

The internal portal site provides information on a variety of approaches to mental health, including self-care and care by management and supervisors for their workers.

We have also launched several consultation services enabling employees to seek assistance at any time. These include telephone and email consultations with occupational physicians and public health nurses, as well as telephone consultations with an external professional counselor, which individuals can use without going through the company.

#### Back-to-Work Program

Employees returning to work after recuperation following leave or temporary closure of business can see the occupational physician or public health nurses regularly, who check whether employees have met criteria indicating that they have settled into a normal routine, in view of their situation and physical condition, to prevent recurrence of problems.

Creating a safe, healthy, and comfortable workplace environment

Initiatives of the FamilyMart Union

Formation of the FamilyMart Union was recognized out of respect for our employees’ freedom of association and right to collective bargaining. Each year, the union conducts a member satisfaction survey. The union survey quantitatively assesses trends in member awareness of working hours, the workplace environment, job satisfaction, and more, with results reported to executives and division managers at labor and management meetings to improve labor conditions. In addition, during annual spring labor-management discussions, both sides engage in future-oriented talks on wages and other personnel system issues, taking an attitude of labor-management cooperation and co-creation. Our aim is to achieve ongoing development for FamilyMart and happiness for union members.

TOPICS

Health Seminars around the Country by Public Health Nurses

FamilyMart carries out health promotion measures for the particular health issues faced by business sites around Japan and each division at the headquarter. The measures vary by region, ranging from group radio calisthenics to setting up relaxation zones. One of the most popular measures among employees has been health seminars by public health nurses.

Under the general theme of things you can do for your health starting today, a number of programs are offered, depending on the division’s request: food, sleep, managing one’s own health, enjoying alcohol and snacks in moderation, and more.



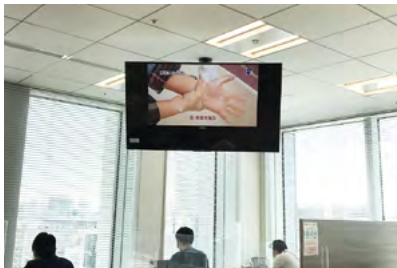
At a health seminar

REPORT COVID-19 Measures

To provide a stable supply of products to customers as community infrastructure and to maintain an environment where employees can work with peace of mind, FamilyMart has set stricter standards to prevent the spread of COVID-19 and is engaged in company-wide measures.



Informal meeting spaces



Raising awareness of hand-washing via digital signage



Non-contact temperature measurement system for visitors

Example of Measures	Scope / Details
Distribution of masks, installation of sanitizers	Sanitizers are installed at regional offices and masks are distributed to employees.
Plastic panels to block airborne droplets	Protective panels are installed in headquarters meeting areas
Monthly workplace patrols by occupational physicians/public health nurses	Confirming ample space between chairs and checking sanitizer installation sites, mask wearing, and use of conference rooms
Weekly Three Cs patrols	Patrols confirm that workplaces are not closed or crowded, with people not in close contact
Raising awareness via posters and digital signage	Careful measures to familiarize people with preventing infection, as with disinfection, mask use, and keeping a distance between people
Disseminating COVID-19 information and stretching videos through monthly health newsletters	Distributing COVID-19 information as well as tips on boosting immunity and staying healthy while working from home to all employees
Safely returning to work after infection or close contact	Stringent measures to prevent infection: setting strict standards for returning to work, obtaining medical questionnaires from each person, and establishing a broader area for close contacts than the standards of public health centers
Establishing a call center for COVID-19 infection	Establishing a call center for COVID-19 patients, also available in the evening and on holidays