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# Contributing to the Future of the Earth and Its Regions Through Environmental Awareness



### Social Background and Issues to Recognize

The global environment is facing a serious crisis due to global warming, ocean pollution and deforestation. Under these conditions, international consensus on Sustainable Development Goals (SDGs) has accelerated adoption of targets and frameworks aimed at mitigating or adapting to climate change and encouraging a recycling-oriented society. Companies are expected to do more.

Environmental issues also have a significant impact on our business. As a company that contributes to the SDGs, we also hope to contribute to achieve a sustainable society by proactively working toward solving environmental issues.

### Vision

#### Environmental Policy (Introduction)

FamilyMart will work earnestly to become a store that is rooted closely and evolves as an integral part of the local community. We will foster close ties with business partners like a family, and want customers to feel part of the neighborhood family.

We will contribute to the sustainable development of local communities through environmentally conscious initiatives that are based on our principles. To promote this, we periodically evaluate the environmental impact of our business activities and set environmental goals, and improve our environmental performance.

Moreover, we have set the policy to continuously remedy the environmental management system, and also work on preventing pollution and protecting the environment.

Environmental Policy  
<https://www.family.co.jp/english/sustainability/management/policy.html>

### Measures Taken

- Continuous improvement of environmental management system
- Climate change mitigation and adaptation
- Use of sustainable resources
- Prevention of environmental pollution
- Reduction of food wastage

## Continuous Improvement of Environmental Management System

### Environmental Management System

We have established an ISO 14001-based environmental management system (EMS) for environmental management consistent with our basic principles and sustainability/environmental policies.

At all workplaces that are constantly improved through collaboration between headquarters and all stores in a company-wide framework under the president.

In addition to regular audits by external examiners, we have enhanced our internal environmental audit system by employees of the Sustainability Promotion Department to strictly check the operation status. As a result of the internal environmental audit in FY2020, there were no applicable violations of laws and regulations or major environmental issues.

## Climate Change Mitigation and Adaptation

### Issues to Recognize

Global warming attributed to higher human emissions of carbon dioxide and other greenhouse gases (GHGs) has been linked to more frequent and intense extreme weather conditions around the world. Climate change are risks that could have a significant impact not only on our daily lives and corporate activities but also to future generations.

Under these conditions, the SDGs and the Paris Agreement have been agreed upon by the international community, and there is a growing demand for companies to take action.

### Management Approach

Most of our GHG emissions come from energy use in our stores. We will contribute to achieve a decarbonized society by actively using renewable energy and developing environmentally conscious stores, in addition to thoroughly promoting energy conservation in our stores. We will also take appropriate measures to deal with climate change and proactively disclose information.

#### FamilyMart Environmental Vision 2050

Greenhouse gas reduction: Stores CO<sub>2</sub> emissions from operations (compared to 2013)  
 2030: **50%** reduction  
 2050: **100%** reduction

#### Major achievements and accomplishments in FY2020

- Stores switching to internal LED lighting fixtures: **6,350**
- Stores with newly installed solar panels (for internal consumption): **218**
- Stores deploying refrigerator/freezer cases with CO<sub>2</sub> refrigerant: **41**
- Delivery vehicles replaced with clean diesel trucks (per year): **513**

#### FY2021 KPI

- Stores switching to internal LED lighting fixtures: **14,680**
- Stores with newly installed solar panels (for internal consumption): **714**
- Stores deploying refrigerator/freezer cases with CO<sub>2</sub> refrigerant: **200**
- Delivery vehicles replaced with clean diesel trucks (per year): **500**

### Initiatives in Products, Logistics, and Stores

#### Product

##### Products made with soybeans

Products made with soy meat have been available since April 2017. Soy meat, a processed food made from soybeans, has been attracting attention due to changes in awareness of environmental issues resulting from the growing focus on the

SDGs in recent years. Compared to livestock, soybeans require less water and energy to grow and emit fewer greenhouse gases, making it a food with less environmental impact.

We will continue to expand the range of products that use soy meat and work to reduce the environmental impact.

## Logistics

### Deployment of Environmentally-Friendly Vehicles

FamilyMart has been actively working to reduce the pollution of our delivery vehicles by introducing environmentally friendly vehicles such as compressed natural gas (CNG) and hybrid vehicles.

Currently, we are introducing clean diesel vehicles that are highly fuel efficient and meet the latest emission regulations, and we are planning to replace all delivery vehicles by 2025. At the same time, we are introducing electric and fuel cell vehicles, as well as conducting demonstration tests of fuels derived from renewable resources (renewable fuels).

### More Efficient Deliveries

Stores offer products at various temperatures, but to streamline deliveries and use fewer vehicles, dual-compartment refrigerated trucks deliver milk, desserts, and other chilled products (kept at 3°–8°C) at the same time as boxed lunches, bread, and other products kept at a constant temperature (18°–22°C). In addition, the number of vehicles has been reduced by establishing a system of joint delivery by temperature zone, where products are consolidated at the logistics centers and delivered in batches to each store.

## Store

### Environmentally Conscious Store Design

At each store, we practice the ten energy saving tips that can be taken at the store, such as turning on and off the power frequently and cleaning the filters of fixtures regularly. We are promoting the reduction of environmental impact with cost consciousness by ensuring that all store staff are aware of the importance of environmental conservation and incorporating it into daily store operations.

### Promotion of Renewable Energy

We are actively adopting renewable energy sources. One approach is to install solar panels on store roofs, so that stores can generate a portion of the energy consumed. Meanwhile, to help establish infrastructure for electric vehicles and plug-in hybrids, fast-charging stations are being installed in store parking lots.

# Use of Sustainable Resources / Prevention of Environmental Pollution

### Issues to Recognize

The goal of economic growth with sustainable development led to an SDG seeking sustainable production and consumption patterns.

Companies are expected to make further efforts to create a recycling-oriented society. In particular, there is a strong need to curb the generation of plastic waste, which has adverse effects on marine pollution and ecosystems, and to review raw materials.

### Management Approach

Through the supply chain, we contribute to the formation of sustainable patterns of production and consumption by actively reducing and streamlining use of natural resources and other raw materials, preventing and reducing generation of waste, recycling and using recycled materials, and preventing pollution.

We will actively promote the recycling of food waste generated in our stores, reduce the use of plastics by improving container packaging materials, and switch to materials with less environmental impact.

### FamilyMart Environmental Vision 2050

Plastic countermeasures: Proportion of eco-friendly materials

2030: **60%**  
2050: **100%**

### Key Accomplishments and Performance in FY2020

■ Rate of customers declining plastic bags: **62.3%**

Before charging: 28.0%  
→ After charging: 76.8%

■ Reduction of petrochemical plastics by adding biomass to plastic bags and maintaining the decline rate

Reduction of **4,060 tons**

### FY2021 KPI

■ Amount of petrochemical plastic used by adding biomass to plastic bags and maintaining the decline rate

Reduction of **6,985 tons**

■ Reduction of petrochemical plastics through development of environmentally friendly products

**49 tons reduction**

## Initiatives for resource use and environmental pollution prevention

### 100% recycled plastic bottles

We use recycled plastic bottles made of 100% recycled PET resin (bottle to bottle) recycled from used plastic bottles as containers for our private brand natural water (two products). This will reduce the amount of new plastic produced from petroleum by about 780 tons per year, and the amount of CO<sub>2</sub> emissions from product manufacturing by about 750 tons per year.

### Switch to new material film

In August 2021, the use of petroleum-based plastics will be reduced by approximately 15%, or approximately 70 tons per year, compared to the conventional product by using thinner packaging film and bio-based materials for direct-rolled rice ball.



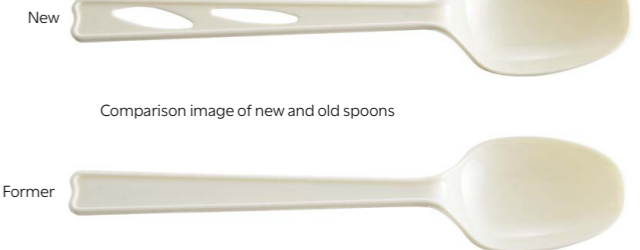
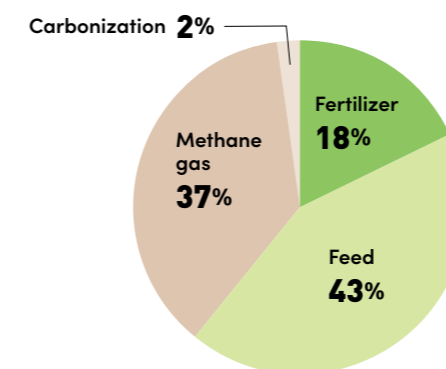
### Food Waste Recycling Initiatives

Food waste generated by stores (from boxed lunches, rice balls, and delicatessen dishes) are recycled into animal feed, fertilizer, and methane through our collecting/recycling system for food waste. This program meets the 60% recycling rate for food retailers targeted by the Food Recycling Law.

### FY2020 Results

- Amount of food waste generated **61,966t**
- Actual food recycling rate **60.8**
- Stores implementing recycling of food residues **3,139 stores**

### Recycling ratio of food residues



### Introduced shopping baskets made from waste materials

We have developed shopping baskets that use marine plastic waste, which has become a serious social problem after drifting ashore in Tsushima City, Nagasaki Prefecture, as part of the raw materials, and are introducing them to some stores. The shopping baskets are actually used by customers to raise awareness of marine litter issues.



### Initiatives for Recycle and Reuse Local Resources

In January 2021, we signed an agreement with Saga City, Saga Prefecture, regarding cooperation in environmentally friendly regional resource recycling. The purpose of this agreement is to promote the establishment of a sustainable, recycling-oriented society by maximizing the use of local resources at Saga City. Based on this agreement, Saga City collects waste cooking oil from stores in Saga City and recycles it into high-quality biodiesel fuel (HiBD), which is then used as fuel for Saga City buses and other vehicles.

## Reduction of food loss

### Issues to Recognize

While poverty and hunger exist in the world, a lot of food is wasted and thrown away. Goal 12 of the SDGs is to halve global per food waste at the retail and consumption levels by 2030, and to reduce food losses in production and supply chains. In Japan, the Law for the Promotion of Food Loss Reduction will be enforced in October 2019, and retailers are expected to make further efforts.

### Management Approach

The generation of food loss has a significant impact on our business operations, not only in terms of environmental impact, but also in terms of costs associated with sorting and disposal.

As food products account for the mainstay of our sales, we have positioned efforts to reduce food loss as one of our most important issues. We will contribute to the transition to sustainable consumption and production patterns by curbing the generation of food waste by improving the accuracy of product ordering and promoting long-life products through improvements in containers and packaging.

### FamilyMart Environmental Vision 2050

**Food Loss Reduction**  
Food waste in stores (compared to 2018)  
2030: **50%**. 2050: **80%**.

### Key Accomplishments and Performance in FY2020

■ Amount of eel-related products disposed of by complete reservation system  
**Approx. 80% reduction** (compared to 2018)  
\*Before implementation of the reservation system

### Initiatives in Stores

#### Store price reduction system

On July 1, 2021, barcode stickers were introduced to the price reduction system for midday meal products such as rice balls and boxed lunches that are about to expire, to simplify the work of store staff and reduce food loss.



#### Promotion of *Temaedori*

During the period from June 1, 2021 to August 31, 2021, in cooperation with the three ministries of the Consumer Affairs Agency, the Ministry of Agriculture, Forestry and Fisheries, and the Ministry of the Environment, we implemented the *Temaedori* campaign to encourage customers to take

environmentally conscious purchasing behavior.

*Temaedori* is a way to reduce food loss by encouraging people to actively choose products from the front of the shelves if they are to be eaten immediately after purchase.

すぐに食べるなら、『てまえどり』にご協力ください。  
手前をえらぶ。



### Supply Chain Initiatives

#### Production Control System

We have been continuously working to improve quality control at our outsourced ready-to-eat plants. A production control system has been installed in the ready-to-eat plants,

and incoming foodstuffs are bar-coded with expiration dates. By managing the expiration dates, we are able to use ingredients without waste and reduce food loss.

## TOPICS

### Supported Initiatives

#### Supporting TCFD Recommendations

The TCFD was established by the Financial Stability Board at the request of G20, Ministry of Finance and governor of the Central Bank.

FamilyMart announced support of the final report of the TCFD in February 2020.



Disclosure content in line with TCFD recommendations  
[https://www.family.co.jp/sustainability/material\\_issues/environment/carbon/tcfd.html](https://www.family.co.jp/sustainability/material_issues/environment/carbon/tcfd.html)

### External evaluations and awards

#### Greenhouse Gas Reduction Targets Certified as Science Based Targets (SBT) Initiative

The greenhouse gas reduction target set by our company has been recognized by the Science Based Targets (SBT) Initiative\*<sup>1</sup> as a scientifically based target "well below 2°C" in comparison with the "2°C target" set by the Paris Agreement.

The SBT initiative is the first of its kind in the convenience store industry.

\*1 The SBT Initiative is a joint initiative by the international NGOs CDP, the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). We are promoting the establishment of science-based greenhouse gas reduction targets (SBTs) to meet the goals of the Paris Agreement.



#### The only one in the convenience store industry

#### Award for Excellence in the Ministry of the Environment Let's All Reduce Plastic Shopping Bags Challenge

Since July 2020, we have been a registered supporter of the Let's Reduce Plastic Shopping Bags Challenge organized by the Ministry of the Environment, and have promoted various initiatives to reduce plastic shopping bags together with our

customers. In recognition of its efforts, the company was the only one in the convenience store industry to receive an award for excellence in the corporate category.

#### First in the convenience store industry

#### Received the highest rating in CDP's Supplier Engagement Rating (SER)

In the 2020 Supplier Engagement Review (SER) conducted by the international NGO CDP\*<sup>2</sup>, we became the first company in the convenience store industry to be selected for the highest rating, the Supplier Engagement Leaderboard. In addition to its efforts based on the FamilyMart Environmental Vision 2050, the Company has been recognized for its efforts

to reduce greenhouse gas emissions throughout its supply chain, and has been awarded a prize in the first convenience store industry to be selected for the Leader Board.



\*2 CDP is a non-governmental organization (NGO) managed by a British charity. Operates a global information disclosure system on the environment

#### Environmental Activity Reports and Awards

#### Received the 24th Environmental Communication Award for Excellence in Climate Change Reporting

Sustainability Report 2020 won the Climate Change Reporting Excellence Award (President's Award of the Global Environmental Forum) at the 24th Environmental Communication Awards organized by the Ministry of the Environment and the Global Environmental Forum.

The report was highly evaluated for its easy-to-

understand description of the risks and opportunities of climate change in the value chain, and for its ingenuity in disclosing information as only a BtoC company can.

