



Representative Director and President

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## Creating Convenience Stores for a New Era, While Remaining Family Mart, Where you Are One of the Family

### The Increasing Importance of Sustainability

The year 2021 was marked by the prolonged states of emergency due to the spread of COVID-19, as well as by weather disasters never-before experienced in Japan. Numerous other events occurred that impacted society as a whole in major ways.

The COVID-19 pandemic was a major turning point that changed awareness and behavior. In turn, these changes impacted the way we approached convenience store

operations.

Amid these remarkable changes in the social environment, we have all become increasingly aware of the concepts behind the Sustainable Development Goals (SDGs), which aim to create a sustainable society. At the same time, we recognize that how we engage in creating sustainable societies is an extremely important issue.

### Our Responsibility for Materialities

To ensure sustainable business management, and based on feedback from society and shareholders, we identified five priority materialities to address as a company.

These five materialities are: environmental awareness, regional revitalization, attractive products and services,

trustworthy supply chains, and a motivating work culture. Conventional social patterns and values are undergoing major changes in our world today. We believe that our role in creating sustainable societies is to engage sincerely and steadily with these materialities.

### Sustainable Convenience Stores That Address the SDGs

Among our priority materialities, as part of our efforts to address the materiality of environmental awareness, we established a medium- to long-term goal that we call FamilyMart Environmental Vision 2050. Under this goal, we are progressing steadily in reducing greenhouse gases, plastics, and food loss.

More specifically, we are engaged in reducing CO<sub>2</sub> emissions from store operations, providing eco-friendly delivery services, adopting environmentally friendly containers made from biomass plastic and paper, encouraging pre-ordering of seasonal products, and simplifying the process of price reduction methods for products nearing their best-by dates. Further, we are

overhauling and developing the *Famimaru* private brand, incorporating elements of sustainability and focusing on the key concepts of delicious, happy, and comforting.

The Famima Children's Cafeteria and Famima Circle for the elderly are just two projects behind our efforts to revitalize local communities and solve social issues. In addition, we began the Famima Food Drive project to reduce food waste and foster mutual support in our communities. We conduct the Famima Food Drive project with the cooperation of social welfare councils and NPOs.

This project is a community-based initiative unique to FamilyMart in which community residents can participate freely in social contribution at any time.

### Leveraging the Potential of Brick-and-Mortar Stores to Become Digital Hubs

The use of digital technology is essential for sustainable societies. Combining the current trend toward digital transformation with the convenience store business, we opened a cashierless store in Tokyo that utilizes an unattended payment system. We also introduced robots to remotely control and automate product display operations in certain stores. Further, we are working on new ways to operate stores that will save time, labor, and staff, including experiments with humanoid AI that will assist store managers

in a wide range of tasks.

We have established new companies with Itochu Corp and other entities to develop a digital advertising distribution business that leverages purchase data and a media business that makes use of digital signage. Combining large-screen digital signage installed in stores and attractive visual content, we intend to create a new framework for linking the sales floor and store products, providing customers with more exciting purchasing experiences.

### Creating a Culture That Takes Advantage of Diversity and Respects Human Rights

Human resource development is an extremely important topic in creating sustainable societies.

FamilyMart pursues Diversity & Inclusion to leverage diversity as we continue to deliver opportunities for a diverse base of human resources to play active roles in the company and create new innovations.

Respect for human rights is an indispensable foundation for sustainable societies. We established the FamilyMart Human Rights Policy to ensure that the entire supply chain, including employees, franchised stores, and business partners, respects basic human rights. We strive to prevent any infringement on human rights.

### To Our Stakeholders

FamilyMart celebrated our 40th anniversary in September 2021.

Over the past 40 years, FamilyMart, as Japan's original convenience store, has grown and evolved, all the while responding flexibly to changes in society. However, this is one thing that has not changed and must never change. Our basic principles: *FamilyMart, Where You Are One of the Family*. The FamilyMart corporate name is the very foundation and ideal we aim to achieve.

FamilyMart is a network of more than 16,000 brick-and-mortar stores in Japan, visited by 15 million customers every

day. We believe that it will become increasingly important to leverage this unparalleled potential to serve as a hub between the real and digital worlds in the lives of our customers as we strive to achieve the types of sustainable societies envisioned by the SDGs.

Together with our customers, franchised stores, business partners, employee, and other stakeholders, FamilyMart will continue to walk alongside YOU as we move forward to achieve the goals of the SDGs.