

Materiality 1

Contributing to the Future of the Earth and Its Regions through Environmental Awareness



Social Background and Issues to Recognize: Significance

World population growth and economic development have confronted us with a global environmental crisis from worsening pollution and destruction of the environment and overuse of resources. Due to the progress of global warming is considered to be a cause of the increase in CO₂ emissions, extreme weather has become frequent and severe around the world, is threatening people's daily lives.

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. People are calling on companies to do more, and their expectations are higher.

These environmental issues, which also greatly affect our business, cannot be overlooked. By actively working toward solutions to these issues, we will contribute to a sustainable society.

Vision: Approach to Our Initiatives

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 following policy to continuously remedy of the environmental management system, and also work on preventing pollution and protecting the environment.

Measures Taken

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

FamilyMart Environmental Vision 2050

For details, visit the corporate website.

<https://www.family.co.jp/english/sustainability/ecovision.html>

Reduce Greenhouse Gases

CO₂ emissions from store operations

2030 → 2050
reduce 40% → reduce 100%

(compared to FY2013)

Plastic Countermeasures

Proportion of environmentally friendly materials

2030 → 2050
60% → 100%

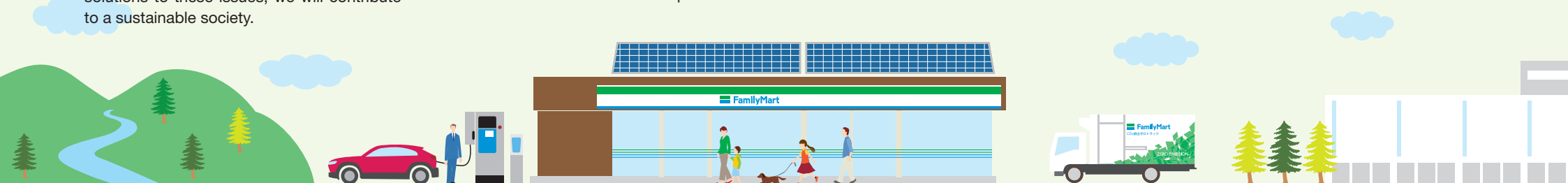
Reduce Food Waste

Food waste from stores

2030 → 2050
reduce 50% → reduce 80%

(compared to FY2018)

FamilyMart Environmental Vision 2050, with mid- to long-term environmental targets, was announced in February 2020. This information was formulated based on Society & Environment Committee discussions and Board of Directors reports and reviews.



Continuous Improvement of Environmental Management System

Environmental Management System

To promote environmental management in line with our basic principles and sustainability/environmental policies, we have established an environmental management system (EMS) at all workplaces based on international ISO 14001 standards that is constantly improved through collaboration between the head office and all stores in a company-wide framework supervised by the president.

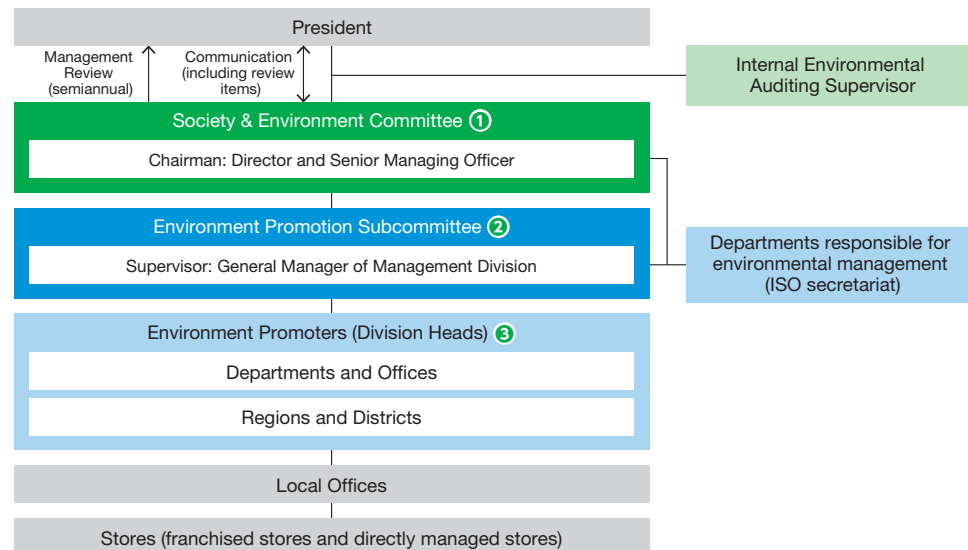
This framework consists of two organizations: the Society & Environment Committee (chaired by the chief administrative officer in charge of environmental matters) and the Environment Promotion Subcommittee (composed of Environment Promoters, who are division heads).

General matters of environmental protection are discussed at semiannual Society & Environment Committee ❶ meetings. In recent years, the Committee has been making decisions by understanding the impacts of environmental problems such as climate change, food wastage, plastic waste, and water resources on society and our business, and analyzing/recognizing from the perspective of risks and opportunities.

Additionally, progress in achieving environmental targets is verified and evaluated at quarterly meetings by the Environment Promotion Subcommittee ❷, where new measures are also planned.

Through every process from procurement/planning of products and services to logistics and sales, the heads of each department are appointed as Environment Promoters ❸ so that they can lead work on the environment.

Environmental Management Promotion System



Internal Environmental Audits

To ensure appropriate and efficient operation of the EMS, each year, we conduct internal environmental audits of all offices and stores. Store supervisors oversee the audits and report the results to the Sustainability Promotion Department. The Department analyzes the report results, and an improvement guidance is given to the required stores through supervisors.

Items raised in the audits are also reported to managers, who apply this information to refine the EMS for the subsequent fiscal years. Succeeded cases are shared to other stores and sites as case studies. In this way, auditing supports group-wide environmental improvements.

In fiscal 2018, internal environmental audits revealed nothing that suggested any breach against environmental law or serious environmental issues.

External Environmental Audits

Since obtaining ISO 14001 certification in March 1999, we have received regular audits from an external auditing organization. More recently in November 2019, the certification was maintained for renewal audit of stores, regional headquarters, and head office divisions.

Environmental Training

We are committed to environmental education and enlightenment so that all employees is aware of green in their work. In addition to basic knowledge about the environment, we conduct e-learning once a year on environmental laws and regulations relevant to store operations. As each participant needs different environmental knowledge, such as supervisors who support store operations, procurement members who promote business with partners, training programs are customized and provided according to the requirements of each divisions.

TOPICS

Store Environmental Education

The environmental education publication *Eco and Social Partner* is issued three times a year for all FamilyMart store managers and staff members. From fiscal 2019 on, it has been distributed in digital format that is accessible for store staff and others improves environmental awareness and encourages thorough implementation of the activities. Self-assessment checklists are also distributed to stores, which helps us to keep improving environmental activities.



Eco and Social Partner educates stores on environmental matters

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. These climate change has a serious impact not only on natural disasters but also on food, water, and ecosystems, so it is a possible crisis that can seriously affect not only our daily lives/ corporate activities but also future generations.

Under these conditions, international consensus on SDGs, the Paris Agreement, and other arrangements have accelerated adoption of targets and frameworks for climate change mitigation or adaptation, as people call on companies to do more.

Achievements and Performances

- Joined an MOE* program to enhance corporate value through decarbonization management (Aug. 2019)
- Total GHG (CO₂) emissions: 89.4% YoY
- Energy consumption (internal): 93.7% YoY

* MOE: Ministry of Environment

Management Approach

In order to contribute to the realization of a decarbonized society, we promote careful energy conservation at stores (which account for 90% of the Company's GHG emissions), seek renewable energy sources, and develop environmentally friendly stores. We also strive to take effective steps in consideration of how climate change may affect our business activities – in areas from raw material sourcing to product demand to store management – treating this impact as both a risk and an opportunity while remaining committed to information disclosure.

Carbon Management

The Company engages in a variety of initiatives across business processes to reduce GHGs, viewed as a primary factor of climate change and global warming.

Store energy consumption accounts for 90% of the Company's GHG emissions. Accordingly, our target is to reduce by 2030, per-store energy consumption (electricity usage) by 40% compared to fiscal 2013. Toward this end, we have stepped up efforts to switch to more energy-efficient equipment, and we aggressively introduce advanced technologies in the environmentally conscious model stores we develop.

After setting targets in line with the Paris Agreement, our measures toward steady reduction of GHGs have included joining an MOE program in 2019 aimed at enhancing corporate value through decarbonization management, and as a member of this decarbonization network, we are studying science-based targets (SBTs). We have also joined the Japan Climate Initiative, a platform supporting exchanges of information and opinions among a mix of domestic participants other than the national government such as enterprises, municipalities, professional organizations, and NGOs that are tackling climate change.

Looking ahead, we will continue to work with stakeholders in pursuing measures to prevent climate change.

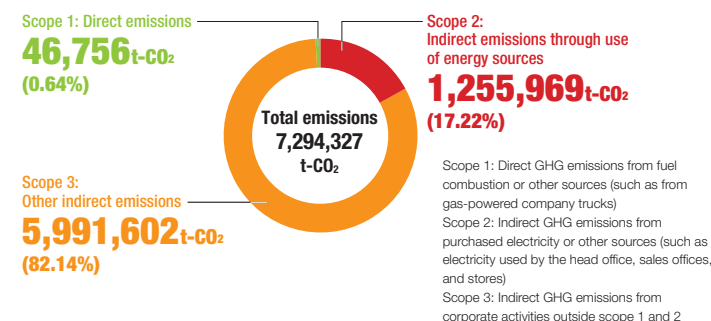
Controlling CO₂ Emissions in the Supply Chain

In Japan, although progress has been made in large companies' efforts to prevent global warming, some say efforts by Small and Medium-sized Enterprises and consumers remains inadequate and challenging.

To reduce CO₂ emissions in the supply chain*, we begin by calculating emissions for the entire supply chain based on the MOE publication *Explanations by Industry (Retail Industry) for the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain, Ver. 1.0* to appropriately assess the environmental impact. We will be working to improve data collection precision and expand the scope of calculations, as we analyze these calculations and seek to reduce CO₂ emissions across the supply chain.

* Supply chain CO₂ emissions: Total emissions, including not only a business' own emissions but also those of all supporting processes from materials procurement to product manufacturing, logistics, sales, and disposal/recycling.

Breakdown of Supply Chain CO₂ Emissions



[View data: Fiscal 2018 GHG emissions, by category](#)

Climate change mitigation and adaptation

Store Initiatives

Efforts to reduce store CO₂ emissions include environmentally conscious store design and formulation and refinement of store operation rules.

To meet our target of 40% lower by 2030, per-store energy consumption (electricity usage) compared to fiscal 2013, we have made an aggressive effort to develop environmentally conscious model stores.

Environmentally Conscious Store Design

In order to reduce store energy consumption, we have been switching to LED lighting—not only for in-store lighting but also for façades, signage, and parking lot lights. Brightness is controlled by a system that adjusts lighting by time of day or store zone. We also promote refrigerators and freezers that use CO₂ as a refrigerant, which can reduce emissions of both chlorofluorocarbons and energy-derived CO₂.

Installation of
refrigerators and freezers
with CO₂ as a refrigerant

180 units at **90 stores**
(as of the end of February 2019)



Progress in energy-saving facilities

https://www.family.co.jp/english/sustainability/material_issues/environment/carbon.html

Store Operation Initiatives

Store staff are careful about turning lights on and off as needed and cleaning filters of store fixtures regularly. Familiarizing staff members with ten energy-saving tips that can be done at the stores instills an awareness of costs as environmentally sound store operations are promoted.



Filter cleaning

Promotion of Renewable Energy

While reducing energy consumption at stores, we also promote utilizing renewable energy. One of the approaches is to install solar panels on store roofs or building walls, so that stores can generate a portion of the energy consumed. Meanwhile, to help establish infrastructure for electric vehicles and plug-in hybrids, quick-charging stations are being installed in store parking lots.



Stores with solar panels

2,083

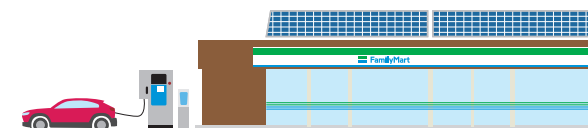
(as of the end of February 2019)



Stores with
quick-charging stations

710

(as of the end of February 2019)



FOCUS

Environmentally Conscious Model Store Development

Demonstration experiment of environmentally conscious store targets environmentally sound building materials, energy-efficient equipment, and Internet-connect air conditioning, ventilation, and refrigeration cases, in which electricity use can be monitored. After determining through tests that high-efficiency LED lighting can reduce consumption by 8%, we have been phasing in this lighting at new stores since January 2018.

Five new environmentally conscious stores were opened in fiscal 2018, and demonstration experiments are continuing to be conducted there.

Goal	Main Measures
Reduce CO ₂ in material/equipment manufacturing	<ul style="list-style-type: none"> • Wooden construction
Reduce heating/cooling loads	<ul style="list-style-type: none"> • Well-sealed and insulated buildings • Total heat exchanger
Reduce electricity consumption	<ul style="list-style-type: none"> • Open refrigerated cases with natural refrigerants • Energy-efficient drink cases and horizontal refrigerated display cases
Reduce CO ₂ emissions for parking lots	<ul style="list-style-type: none"> • Pave parking lots with low-temperature asphalt

Climate change mitigation and adaptation

Product Initiatives

CO₂ emissions are also reduced through carefully designed containers and packaging.



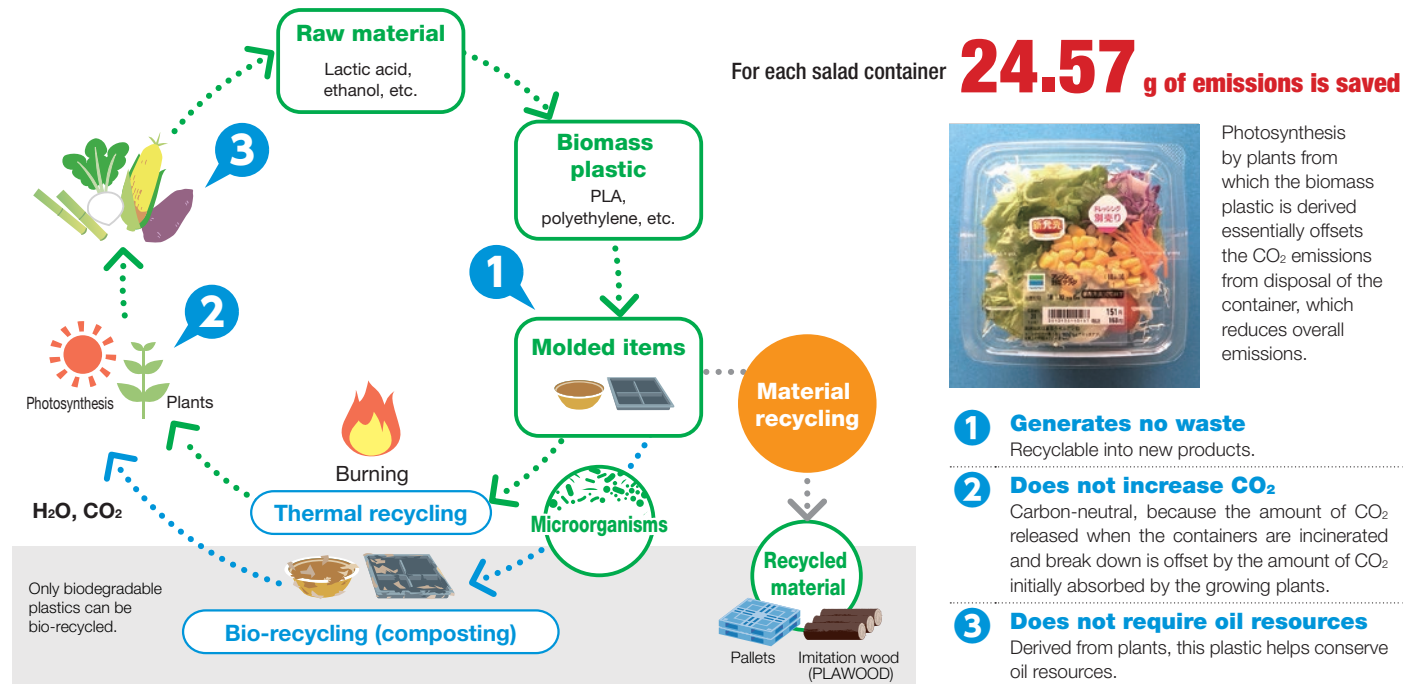
Reducing CO₂ with Biomass Plastic (PLA) Containers

Although the recycling rate of plastic items in Japan is higher compared to international standards, at about 84%, oil-based plastic does not biodegrade easily, and besides the CO₂ emissions from incineration or thermal recycling, possibility of harmful substances are also pointed out.

As an alternative that helps reduce CO₂ emissions, we introduced biomass plastic (specifically, PLA) containers for popular salads and other products in 2007. Our use of this material now surpasses all other retailers and currently accounts for about 20% of the amount in domestic distribution. Since the PLA items used by our company is biodegradable, it is believed that even if they were disposed in the natural world, they have small impacts on the environment.

In fiscal 2018 this represented an annual reduction of 2,402 tons of CO₂ emissions compared to conventional oil-based plastic (A-PET containers). We will be expanding this effort beyond the PLA containers for our popular salads to products packaged in alternative bioplastics, recycled PET, and other environmentally conscious materials.

Environmental Circulation of Biomass Plastics



Reducing CO₂ by Switching to Side-Shrink Packaging

In February 2014, we introduced partially shrink-wrapped packaging (sealed with film only between the lid and container) as an alternative to the full shrink-wrapping that is traditionally used for boxed lunch containers, and this change has been totally deployed within a year. As a result, annual CO₂ emissions were slashed by 1,934 tons (compared with conventional wrapping film), with 541 tons of plastic saved each year.



This packaging also makes products easier to see and easier for consumers of all ages to open.

Climate change mitigation and adaptation

Logistics Initiatives

Logistics processes emit the second largest amount of GHG emitted by our company after stores.

By introducing more eco-friendly vehicles and further streamlining deliveries, we continue to reduce environmental impact.



Deployment of Eco-Friendly Vehicles

We have been a pioneer in the convenience store industry introducing environmentally friendly vehicles like CNG (compressed natural gas) vehicles in fiscal 1998, hybrid vehicles in fiscal 2003. We have been actively working to reduce the pollution of our delivery vehicles.

Taking advantage of much better environmental performance by current clean diesel trucks which meet the latest exhaust regulations, we are fully adopting and deploying these vehicles in a plan to replace delivery vehicles with clean diesel trucks by 2023.

As another option in reducing GHG emissions, we are studying electric and fuel cell vehicles, as we consider matters of charging times and deployment costs.

CO₂ emissions compared to existing diesel trucks:

1 ton/year reduction possible



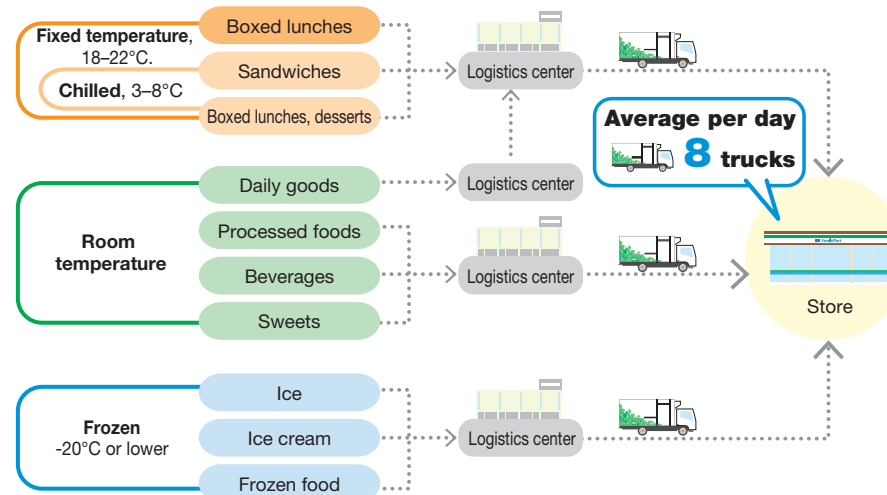
Since September 2019, we have been phasing in clean diesel trucks that meet Japanese exhaust regulations, which are among the world's strictest.

More Efficient Deliveries

Stores offer products at all 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 at a constant temperature (18°–22°C). Additionally, we have devised a system for batch delivery of products in each temperature range to individual stores after food from multiple producers and manufacturers of ready-to-eat products is temporarily collected at logistics centers. This also enables a much smaller fleet. (See the figure below.)

To plan routes with less traffic and more store deliveries in a shorter period, we have introduced a transportation management system (TMS) that simulates optimal routes and schedules between logistics centers and stores. In this way, the TMS also helps reduce GHG emissions and energy consumption.

Batch Delivery System for Products in Each Temperature Range



Beyond Climate Change Adaptation

The Company also studies ways to adapt and respond to a variety of changes in the business environment brought about by global warming or climate change, as we plan for business continuity and growth.

One example is safeguarding the logistics networks that are vital to retail operations. When investigating center sites, we review hazard maps to note typhoon and flooding risks. Centers are constructed away from flood-prone areas, embankments are built to avoid risks, and more robust construction methods are used.

Emergency measures are in place if disasters disrupt logistics centers and producers of ready-to-eat products or block road systems. These include sourcing products from other nearby centers and prioritizing deliveries likely to be needed after disasters, such as rice balls, daily necessities, and drinking water.

Reduction of Food Waste

Issues to Recognize

Many people around the world suffer from poverty, hunger, and malnutrition, yet each year, some 1.3 billion tons of food are discarded. Even in Japan, which relies heavily on food imports, 27.59 million tons is wasted annually, including an estimated 6.43 million tons that is still edible.*

This has set the scene for SDG 12, which by 2030 seeks to halve per capita global food waste at retail and consumer levels and reduce food loss in production and supply chains. In Japan, the Act on Promotion of Food Waste Reduction took effect in October 2019, mandating greater action in the retail sector.

* Source: Estimated food waste values in fiscal 2016 published by the Ministry of Agriculture, Forestry and Fisheries

Achievements and Performances

- Reduced food wastage by 80% through enhanced advance sales of eel boxed lunches (1H FY19)
- Extended shelf lives of ready-to-eat products: Up to 10 days (delicatessen dishes)

Management Approach

Food waste has an environmental impact as well as considerable repercussions on our business operations. Costs associated with sorting and disposal are only one example. Food represents a cornerstone of our sales, and we view initiatives to reduce food waste as a serious issue. Measures to prevent waste include improving accuracy of product ordering and extending shelf lives with better product containers and packaging. Through these efforts, we are working toward sustainable production and consumption patterns.

A New Sales Method for Oden

Our popular, original winter *oden* stew has been sold a new way since January 2020. After customer orders are received, employees microwave the stew to prepare it. Unlike eventually disposing of food left heating in the specialized pots used previously, ingredients sold the new way are sealed in plastic packaging with a best-by date in 180 days. The long shelf life promises to reduce much food wastage. Because this arrangement is easier for staff members—who were required to monitor freshness, replenish ingredients, and clean the pots—the approach also streamlines store operations.



New oden

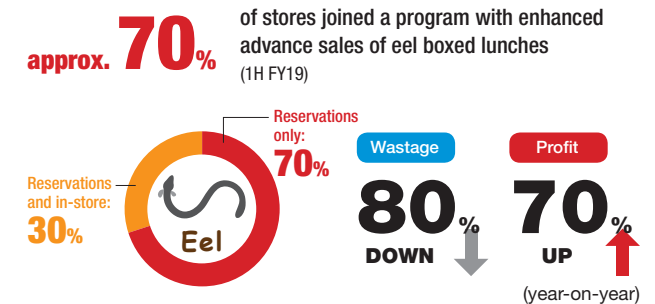
After orders are received, ingredients are heated in a microwave

Improved Ordering Accuracy, Enhanced Advance Sales of Seasonal Products

Stores are working to prevent food waste by improving the accuracy of routine product ordering and reducing disposal of food past its sell-by date. Since fiscal 2019, we have enhanced advance sales of seasonal products such as Christmas cake and New Year's cuisine, seeking zero food waste by accurately controlling the amount produced to suit customer needs.

Results of Enhanced Advance Sales

Nearly 70% of stores adopted a reservation-only system for sales of eel boxed lunches for a day in July 2019 when this dish is traditionally eaten. As a result, leftovers were reduced by 80%. Reduced loss from food wastage had the effect of making this approach 70% more profitable for participating stores.



Reduction of food wastage

Ready-to-Eat Products with Longer Shelf Lives

In our leading product category of ready-to-eat products, we are extending sell-by dates (shelf lives). This has involved taking a fresh look at ingredients and production or cooking methods. Gas exchange packaging technology* that can preserve freshness of products longer than standard packaging is used for some original “Mother’s Kitchen” delicatessen dishes, which extends shelf lives to keep these foods fresh and delicious without additional preservatives. We plan to expand this packaging technology to other product categories in the future.

* Gas exchange packaging technology: A new technology in which carbon dioxide and nitrogen are injected into packaging to replace the oxygen to prevent food deterioration. Used mainly in form-fill, top-seal, and deep-drawing packaging.



Increasing Shelf Life Through Higher Quality from Producers of Ready-to-Eat Products

We continue to hone the quality control expertise of our contract suppliers, the producers of ready-to-eat products. Building on work to date, repeated taste-testing and bacterial inspection showed that we could extend the sell-by time by two hours for certain daily deliveries, including noodle dishes, salads, handmade desserts, sweet and delicatessen breads, chilled boxed lunches, and cut vegetables. With this method, the work of confirming sell-by dates can be reduced from six times a day to four times a day, which helps reduce food loss as well as reduce the burden of labor in each store (except some areas).

Medium- to Long-Term Food Wastage Reduction Measures, Including Packaging Techniques

Category	Measure	Sell-by Date Extension Target/Plan
Burger rolls	Testing with form-fill packaging since the end of fiscal 2019	FY2021: 2 days → 4–5 days
Certain pasta and chilled boxed lunches	Testing with top-seal packaging since fiscal 2020	FY2022: 3 days → 5 days
Certain sandwiches	Testing with deep-drawing packaging since fiscal 2020	FY2022: 1 day → 2–4 days

Other Primary Examples of Extending Shelf Life

Category	Typical Example of Measures	Number of Products	Details of Longer Shelf Life
Sushi	① Chilled sushi with longer expiration dates ② Sushi rolls with longer expiration dates	7	① 1.6 days → 2 days ② 1 day → 1.6 days
Delicatessen dishes	① Long-life delicatessen dishes: Fried food with longer expiration dates ② Seafood delicatessen dishes: Extending expiration dates with top-seal packaging ③ Delicatessen dishes in pouches: Extending expiration dates of leading products	More than 5	① 20 days → 30 days ② 8 days → 10 days ③ 30 days → 40 days
Pasta	Extending expiration dates by switching pasta oil and noodle ingredients	3	2 days → 3 days
Chilled boxed lunches	Longer expiration dates	2	3 days → 4 days
Desserts	Longer expiration dates	More than 4	3 days → 4 days
Deep-fried foods	Hash browns with longer expiration dates	1	2 hours → 4 hours

More Space for Frozen Foods

Diverse eating habits and other factors have driven the need for food that can be stored over long periods. In response, we are expanding our selection of frozen food and offering more shelf space for these products. Some 4,000 stores were targeted for this expansion by the end of September 2019, reflecting our positioning of frozen food as a key category after ready-to-eat products. Frozen food also has the advantage of helping to reduce food wastage in light of shelf life, and for this reason as well, we plan to expand sales.



Enlarging the space in stores for frozen food

Use of Sustainable Resources / Prevention of Environmental Pollution

Issues to Recognize

In order to achieve economic growth and sustainable development at the same time, promotion of sustainable production and consumption patterns was set as one of the goals of the SDGs. Assuming compliance with relevant laws and regulations, companies are expected to make further efforts toward the formation of a recycling-oriented society, including efficient use of water, food, and natural resources, as well as proper treatment/significant reduction of waste.

In particular, because plastics can cause marine pollution and adversely affect the ecosystem, international trends in use/emission control are encouraged, hence companies are strongly demanded to control the generation of plastic waste and re-examination of raw materials.

Achievements and Performances

- Promoted our food recycling loop: currently 7 areas in Japan
- Expanded use of biomass plastic items
- Rate of customers declining plastic shopping bags: 28.9%

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. Especially for plastic, we are conscious of the large amounts we use, mainly for packaging. We are reducing consumption of plastic through improved containers and packaging, and we are also proactively switching to materials with low environmental impacts.

Food Waste Recycling Initiatives

Food wastage 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 wastage. This program meets the 55% recycling rate for food retailers targeted by the Food Recycling Law. Our active promotion of recycling also involves gradual expansion of agreements with waste disposal contractors who recycle food wastage.

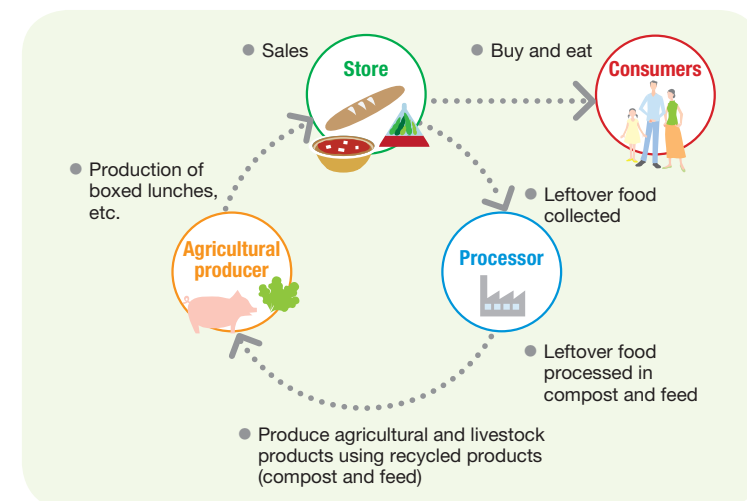
In 2008 leftover food from stores in Tokyo and Kanagawa prefectures was collected and processed in animal feed at a pig farm with a feed factory, where they feed the pigs for production of boxed lunches and delicatessen breads sold at stores, creating as a food recycling loop. This recycling loop has been expanded nationwide, and recycling loops in seven areas (as of February 2019) participate in this certified Recycling Business Plan.

Results in Fiscal 2018

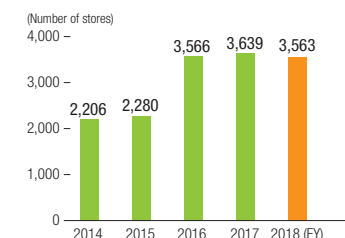
Amount of food wastage generated **71,135 tons**

Actual food recycling rate **56.3%**

Food Recycling Loop System

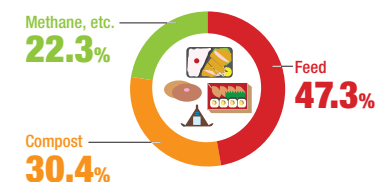


Change in Stores Conducting Food Recycling



Note: Includes Circle K Sunkus as of FY2016.

Breakdown of Food Recycling



Use of sustainable resources / Prevention of environmental pollution

Our Approaches to Reduce Plastic

We actively promote plastic recycling and improvement of packaging in accordance with the Containers and Packaging Recycling Law, and we seek to prevent from our use of plastic.

In boxed lunch containers, we have been steadily switching to partially shrink-wrapped packaging (sealed with film only between the lid and container) since fiscal 2014. This change worked an annual reduction of 541 tons of plastic.

Additionally, for the original delicatessen brand “Mother's Kitchen”, the packaging material has been changed from plastic lids to specially processed top seal on the lids of the container. As a result, compared the new containers to the old ones of the same capacity, the annual reduction of plastic raw materials was 33.6 tons, which can be converted to 153.7 tons per year for CO₂ emissions (trial calculation at the time of introduction).

However, with an eye on the recent problems of plastic waste, we are aware of the responsibility of using large amounts of packaging materials. We keep paying efforts to reduce environmental impacts by making containers lighter, using recycled material, and switching to alternative material with a lighter environmental impact.

How FamilyMart Approaches Plastic Reduction

Reduce

Reduce plastic consumption



Reduce with lighter containers and thinner film

Impact on Plastic Reduction

Small–Moderate

Recycle

Recover and reuse resources



Reduce by using packaging with recycled content

Large

Renewable

Use sustainable (or recycled) materials



Reduce by using/ incorporating environmentally conscious packaging (biomass)

Small–Large

Examples of Measures

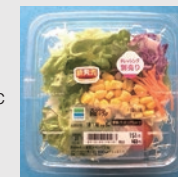
Eco-friendly packages for all salad products

Recycle

Renewable

- Promote use of biomass plastic (PLA) and other eco-friendly packages (Introduction of PLA began in 2007. Currently, our use of PLA accounts for nearly 20% in domestic distribution.)
- Annual use of eco-friendly packages: approx. 1,250 tons

▶ To be further expanded in FY2020



Thinner plastic packages for sandwiches

Reduce

- Reducing consumption by using a new film
- Annual reduction: 90 tons

▶ To be introduced in FY2020



Film thickness

Current **▲5μm** Future
Triangle sandwich **40μm** → **35μm**

Iced coffee: Cups made with recycled PET / stirrers of wood

Reduce

Recycle

- Incorporate recycled PET in cups, switch to wooden stirrers (and from plastic to paper bags), and use environmentally sound material for straws
 - Effect of reduction: 80 tons (stirrers)
- ▶ Straw ban testing in progress



Recycled PET

0% → **5%**
1H FY19 From 2H FY19
recycled content
Recycled PET

Expansion of a lineup of top-seal packages

Reduce

- Study expansion of a lineup of top-seal packages from delicatessen dishes including salads and pasta
- ▶ Test from FY2020



➡ Related information: Promoting use of biomass plastic containers, p. 26

Use of sustainable resources / Prevention of environmental pollution

Plastic Bag Reduction Initiatives

Recently, moves to reduce plastic shopping bags have taken off in Europe and around the world, calling for a response in line with business needs. This initiative is quite important. Not only does it reduce number of containers or wrappings but also reduces CO₂ emissions.

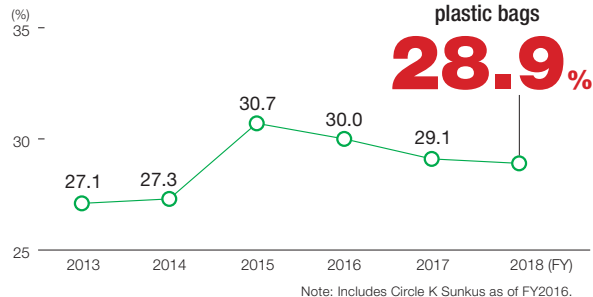
We are a member of Japan Franchise Association, which advocates having at least 30% of customers declining plastic bags by fiscal 2020. In this reduction, greater customer awareness and participation are essential. Since it requires customers' understanding and cooperation to reduce the number of plastic shopping bags, we regularly promote awareness campaigns to customers in collaboration with local governments, as well as we ask customers if they use their own shopping bags as awareness campaigns. In addition, we are also informing store staff to use plastic shopping bags in appropriate sizes as well as promoting thinning the bags that can help reducing the amount of petroleum used as a raw material.

Ongoing efforts to have more customers decline plastic bags at the register will include training and development of store staff and asking customers for their cooperation.



A poster raising awareness about plastic bags

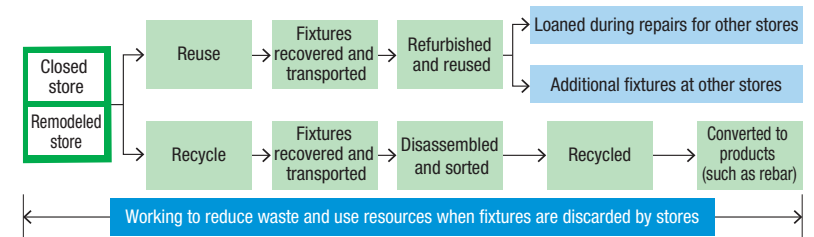
Rate of Declining Plastic Bags



Fixture Recycling

After refurbishing, usable counter fixtures from closed stores play an active role as additional fixtures at existing stores or equipment loaned during repairs. Those that can no longer be used are disassembled and sorted to recycle mechanical parts and materials such as iron or copper.

Framework for Refurbishing/Recycling Fixtures from Closed or Remodeled Stores



Recycling of Used Cooking Oil

After use in deep-frying of FAMICHIKI fried chicken and other fried foods cooked in store, cooking oil is collected by certified contractors and processed to 100% recycled products such as poultry feed additives, ink, and soap. As an example of a recycle system that circulates within a store, some of them are also used in stores as medicated hand soap. An electronic manifest system adopted in April 2017 supports proper collection and accurate recordkeeping for the oil, strengthens regulatory compliance, and ensures traceability.

TOPICS

Strengthening Ties with Processors

We regularly exchange information with waste contractors and used cooking oil collectors to strengthen ties and ensure correct processing based on the Waste Disposal and Cleaning Act. This helps improve food recycling initiatives and store operations involving related issues.



Liaison meeting with used cooking oil collectors

TOPICS

Urban Famima!! A Store at the Toranomon Hills Business Tower

Urban Famima!! is a collaborative store developed with URBAN RESEARCH CO., LTD. opening in Minato-ku, Tokyo, in February 2020. Envisioned to introduce sustainable new lifestyles customized to those who work in urban areas, this environmentally conscious store with fixtures and furnishings recycled/made out of reused materials will feature products designed with sustainability in mind by FamilyMart and Urban Research.



Store rendering

Use of sustainable resources / Prevention of environmental pollution

“We Love Green” Eco-Friendly Private Label Products

Our private brand “We Love Green” is an eco-friendly product group that was developed in 1999 based on the idea that “Every one of us living on the Earth love nature and protect the environment.”

The labels of “We Love Green” are used for those products as proof that they cleared the development standards (low environmental impact material/in use/at the time of disposal).



Products such as packing strings using recycled materials (100% recycled polypropylene), anti-slip gloves using natural rubber (thick/thin), packages of rice balls and sandwiches are eco-friendly.

Chlorofluorocarbon (CFC) Measures

Chlorofluorocarbon substitutes are used in store refrigerators, freezers, and air conditioners, which are inspected as required by law. Strict controls are in place, so that when equipment containing substances that pose environmental risks are disposed of, specialized contractors recover and destroy the substances. Moreover, deployment of freezers and refrigerators with CO₂ refrigerant is promoted, both to reduce CO₂ emissions from power generation sources and to reduce CFC emissions.

Water Conservation at Stores

We support a public-private project “the Japan Water Style” launched by the Ministry of the Environment in 2015 to support the Japan's outstanding water cycle. The purpose of this project is to propose new ways to face water through products, services, and initiatives related to water, and we are promoting the circulation of water resources through store operations. By installing grease traps*, which are devices that separate oil and water discharged during the cleaning of fryer cooking utensils used in stores, and septic tanks as well as conducting regular inspections of water purification facilities, the quality of wastewater is improved. We are also working to reduce the amount of water used by changing the restroom faucet to a water-saving type.

* Grease trap: A device that prevents oil and fat from flowing out directly into the sewer (oil/water separation tank)

Group Company Initiatives

Clear Water Tsunan: Using Water Resources Effectively

Clear Water Tsunan Co., Ltd., a manufacture and a seller of mineral water, operating business under 2R initiatives throughout the company: Reduce (consume as little water as possible) and Reuse (use water repeatedly over and over as much times as possible) in order to effectively utilize limited water resources. Freshwater withdrawal is mainly from spring water and well water. The spring water is used as mineral water for sale, and the well water is used for sterilization/ cleaning of plastic bottles/caps and for snow removal.

Since the water source is shared with the local residents of Tsunan Town, an annual water usage agreement has been signed, water intake/manufacturing/sales activities are being conducted based on the agreement.

The well water used for cleaning inside/outside of plastic bottles is filtered with an ultra-fine filter, and then ultra-high temperature sterilized by the UHT system (Ultra-High Temperature instant sterilizer). After cleaning the plastic bottles, the water is sterilized again in the recovery tank at ultra-high temperature and reused as rinse water to realize Reuse and Reduce, which helps to reduce the amount of water intake.



As a company supported by the blessings of water and nature, the corporate philosophy of Clear Water Tsunan Co., Ltd. is to contribute to a healthy and enriched society, seeking harmony with the natural environment and co-existence with the local community, and providing “safety and reliability” and “value-added products”.