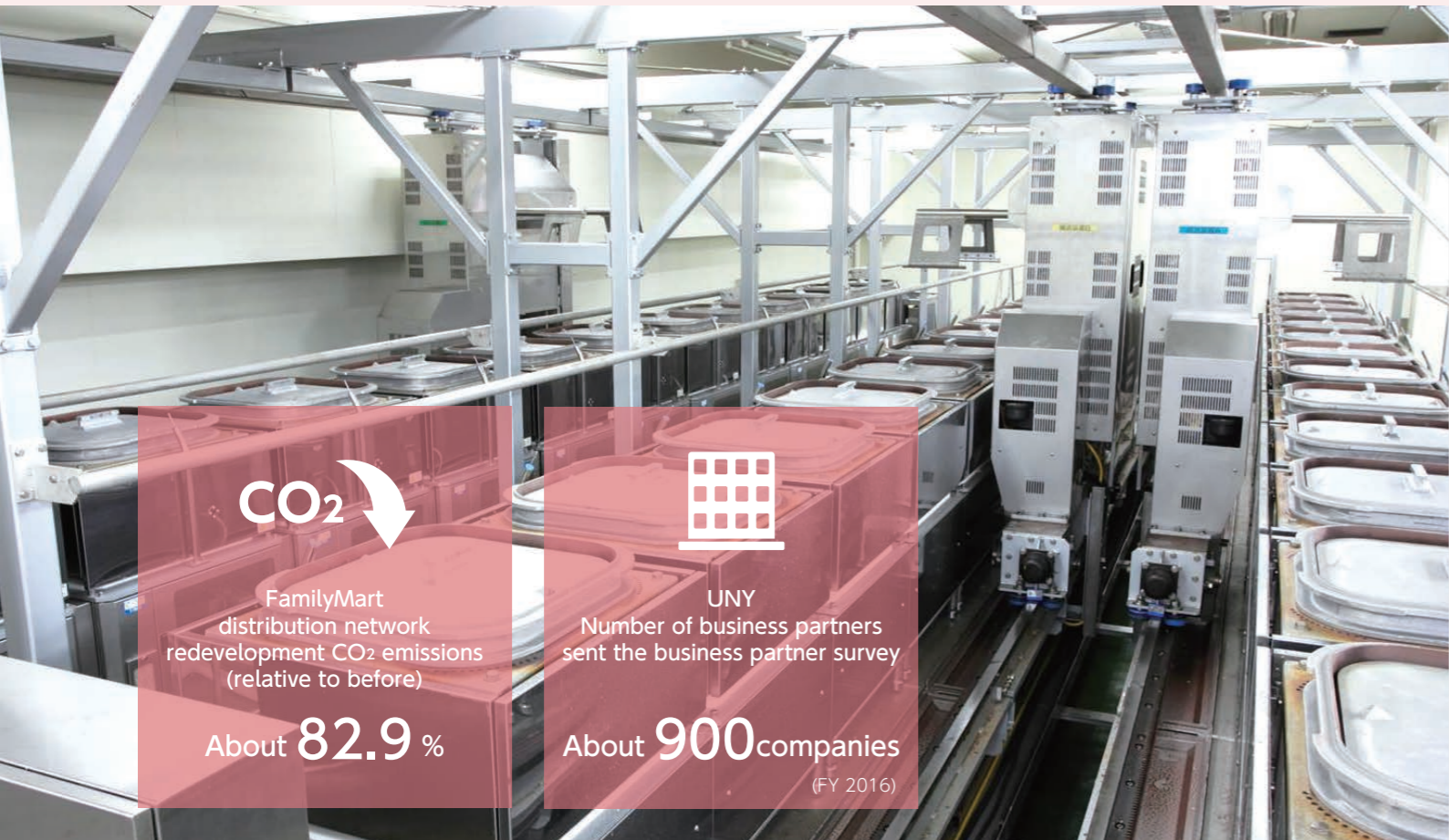


Material Issue 3

# Strengthening of supply chain management that delivers safe and reliable products

Providing safe and reliable products to customers is the most important priority in a retailing business. While developing a procurement network to globally deal in a wide range of products, our goal is sustainable growth along with building trustworthy relationships with business partners throughout the entire supply chain.



FamilyMart distribution network redevelopment CO<sub>2</sub> emissions (relative to before)

**About 82.9 %**

UNY Number of business partners sent the business partner survey

**About 900 companies**  
(FY 2016)



## Provision of safe and reliable products / services

### Responsibility to provide and explain safe and reliable products

#### FamilyMart UNY

Based on cooperation with business partners FamilyMart UNY Group is working to strengthen the systems and structures that ensure safe and reliable products throughout the entire supply chain. In order to pre-emptively control various risks from procurement to consumption we have created an information service "business partner helpline" for our all business partners through an external third-party to facilitate early detection and correction of issues and problems concerning the supply chain. Furthermore, the group conducts a "business partner survey" once per year and confirms that legal violations or fraudulent activity are not occurring. In fiscal year 2016 there were six calls to the "business partner helpline" (UNY: 5; FamilyMart: 1). Furthermore,

UNY sent a "business partner survey" to 900 companies and 377 responded (FamilyMart began surveys in fiscal year 2017). Business partner opinions, requests and other information were reported to the risk management compliance committee and corrections and improvements are being made.



Business Partner Helpline Leaflet

### Dissemination and awareness-raising about ethical consumption

#### UNY

We sell products affixed with the Fair Trade mark to promote ethical shopping. Fair Trade promotes the creation of new jobs in local producer areas, sustainable living improvements and self-reliance for the people who live in those areas through doing business based on fair conditions with producers in developing countries and elsewhere. Moreover, it is connected to protecting the lives of producers and the environment from soil contamination and environmental damage by supporting local organic production methods.

connected to producers and consumers.

These efforts help customers understand the importance of Fair Trade while also expanding the range of Fair Trade products in the future.

In order to enable customers to enjoy ethical shopping since 2013 we have joined with the NPO Fair Trade Nagoya Network, Nagoya City and education volunteers to host the annual "Fair Trade Festival" involving stores in Nagoya. Such activities as quiz events to deepen the understanding of Fair Trade, talks about ethical consumption and sample tasting of Fair Trade products serve to communicate the structures



Student volunteers explain to children

### Supporting the Komaki Winery

The Komaki Winery in Komaki City (Aichi Prefecture) provides job support to help people with disabilities in the local area lead independent lives. The social welfare corporation AJU Center for Independent Living operates the winery at which currently 35 people with disabilities are engaged in such work as harvesting grapes. In fiscal year 2017, the winery released "Komaki Castle Nobunaga Wine." UNY stores sell wine made from grapes cultivated and fermented here and will continue to provide ongoing support for expanding ethical shopping by inviting customers to buy this wine.



Grape harvest scenery

# Promotion of fair and transparent business activities

## Committed to supply chain safety and reliability

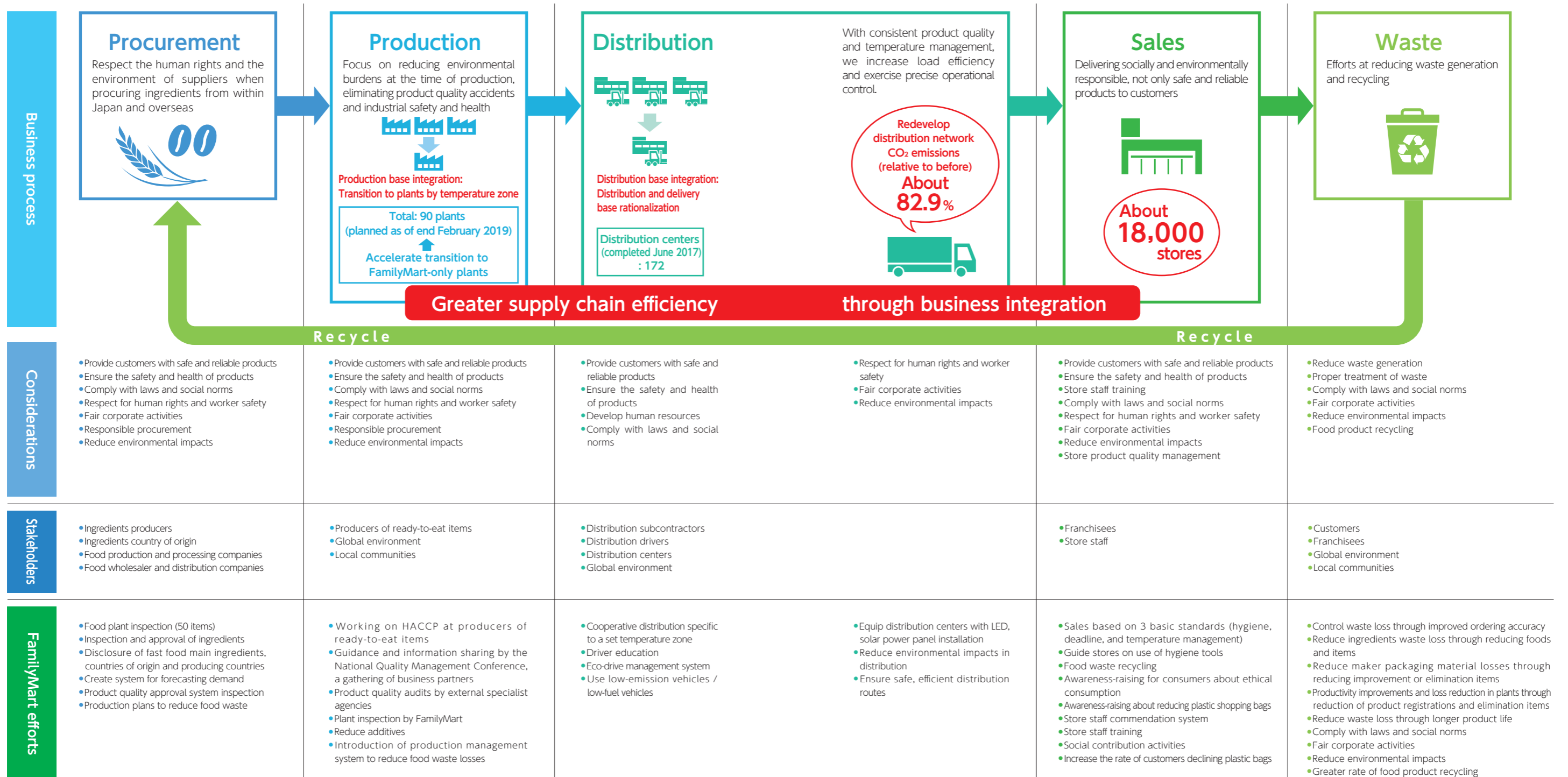
In international society the scope of social responsibility extends not only to our company and our group companies but also to the supply chain. For this reason, in regard to the supply chain of FamilyMart UNY Group companies, the group has created Sustainability Procurement Principles and Supply Chain CSR Code of Conduct that call for preserving

biodiversity, protecting natural resources, compliance with laws and social norms, respect for human rights, prohibitions against discrimination, worker safety and health measures etc. Moreover, by operating under a unified policy with all of our business partners, the group is focused on being socially and environmentally responsible and reducing risk.

FamilyMart

### Issues and efforts concerning FamilyMart

### supply chain management



# Promotion of fair and transparent business activities

## Build a sustainable supply chain

In February 2018, FamilyMart UNY Group established "Sustainability Procurement Principles" and "Supply Chain CSR Code of Conduct." We are striving to be a sustainable society throughout the entire supply chain, not only with respect to the group but also in cooperation with such business partners as suppliers of agricultural, livestock and marine products, subcontracted makers of private brand products and original products, and importers.

### Sustainability Procurement Principles

FamilyMart UNY Group is engaged business activities that accept the social responsibility of working toward realizing a sustainable society such as preserving the global environment and protecting human rights. For this purpose, we are pursuing business activities that are based on the spirit of mutual development (CO-GROWING) in line with fair rules for producers and business partners, realizing sustainable growth and focusing on the principles below.

1. We preserve biodiversity, eliminate natural resource transactions, gathering, and fishing conducted illegally.
2. We reuse renewable resources to protect natural resources at extreme risk of depletion.
3. As the safety, security and health of customers is the highest priority, we work to secure the traceability of agricultural, livestock and marine products and disclose information to customers that is easy to understand.
4. We comply with laws and social norms and aim at a sustainable society together with producers and business partners who take social responsibility, including human rights, workers, health and safety, and global environmental preservation.

### Supply Chain CSR Code of Conduct

#### 1. Comply with laws and regulations

We comply with international norms as well as the laws and norms of countries and regions where we conduct business and engage in conscientious business activities.

#### 2. Human rights

We respect individuals and their rights regardless of race, nationality, religion, sex, or any other status and we do not participate in human rights abuses.

#### 3. Labor

Along with considering for the health and safety of employees and achieving a comfortable working environment, we treat workers without regard to sex, age, nationality and handicap and respect sexual diversity, and prohibit discrimination, inhumane treatment and forced labor.

#### 4. Fair business

In accordance with sound business custom when doing business, we conduct business based on appropriate conditions and receive no private profit.

#### 5. Environment

We take responsible attitude toward the global environment, nature and biodiversity, prevent environmental pollution and prevent global warming such as restricting greenhouse gas emissions. We also pursue creation of a sustainable society by including reducing, properly disposing of and recycling waste.

#### 6. Product quality & safety

We provide products and services that are safe, reliable and healthy for customers, and in the case of accidents or defects, respond by quickly disclosing information and notifying competent authorities.

#### 7. Synergy with local communities

We connect with activities related to development of local communities, we contribute to a better regional life through being environmentally responsible for impacts around business sites and plants.

#### 8. Supply chain system maintenance

Based on social norms and in response to social demands, we are working to build a CSR promotion system and internal control systems, as well as maintain risk control systems. We are also increasing CSR awareness of and dissemination in our own supply chain.