

Social and environmental targets and results

Fiscal 2013 social and environmental targets and results (as of February 28, 2014)

Category	Issue	Actions	Fiscal 2013 Targets	Results	Achievement level*
Products & services	Resource saving/Waste reduction/Raising awareness/Social contribution	Brand building with MACHI café (Promoting social and eco friendliness)	1. Use beans from Rainforest Alliance Certified™ growers 2. Expand initiatives with grower partners 3. Promote sales of tumblers	1. Increased usage rate of beans from Rainforest Alliance Certified™ growers 2. Promoted initiatives with partner growers 3. Sold tumblers and CD sets Stores with MACHI café: Approx. 7,800	5
	Energy saving/Social contribution	Local production for local consumption fast foods, expanding Lawson Farm products	Use Lawson Farm produce to provide safe, reliable products	Used Lawson Farm radishes and potatoes in <i>oden</i> (Japanese hot pot)	5
	Social contribution/Waste reduction/Energy saving	Expanding Lawson Farm initiatives	Launch new Lawson Farms	Established 7 new Lawson Farms	6
	Social contribution	Selling socially and eco-friendly products at NATURAL LAWSON	1. Sell eco-friendly products 2. Promote disposable chopsticks made of wood from domestic forest thinning 3. Continue to promote products of Swan Bakery, an employer of persons with disabilities	1. Continued sales of eco-friendly products 2. Continued use of disposable chopsticks made of wood from domestic forest thinning 3. Continued to promote products of Swan Bakery, an employer of persons with disabilities	5
	Energy saving/Resource saving	Reducing container and packaging weight	Make containers and packaging thinner to reduce CO ₂ emitted upon incineration 12% compared with fiscal 2006	Reduced CO ₂ emissions upon incineration of containers and packaging 31.3% compared with fiscal 2006	6
	Energy saving/Resource saving	Using containers and packaging that reduce environmental impact	Promote the use of non-petroleum plastics	Continued use of non-petroleum plastics in chilled noodle and salad containers	5
	Social contribution	Promoting government proxy services	1. Begin initiatives with government services 2. Expand municipalities where we offer government services	1. Began initiatives with government services 2. Expanded municipalities where we offer government services	5
Raising awareness	Promote environmental initiatives with customers by expanding the CO ₂ Offset Program	1. Explore new CO ₂ offset projects 2. Continue sales of products with attached CO ₂ offset credits Offset CO ₂ : 1,500 tons	1. Implemented CO ₂ offset through MACHI café 2. Continued initiatives involving products with attached CO ₂ offset credits Fiscal 2013 result: 2,934 tons (195.6% of target)	6	
Logistics	Energy saving	Promoting eco-driving at distribution centers	Reduce per-store delivery truck CO ₂ emissions 24% compared with fiscal 2007 levels	Reduced per-store delivery truck CO ₂ emissions 22.8% compared with fiscal 2007 levels	4
Store facilities	Energy saving	Promoting switch to latest energy-efficient equipment	1. Promote installation of energy-efficient freezers 2. Promote replacement of air conditioners 3. Install anti-frost heater controllers 4. Install solar power generation systems	1. Freezer target achievement rate: 99% 2. Air conditioner target achievement rate: 167% 3. Anti-frost heater controller achievement rate: 102% 4. Solar power generation system achievement rate: 57.9%	4
	Resource saving/Waste reduction	Promoting reuse of store fixtures	Reuse targeted fixtures less than six years old at new and remodeled stores	Total fixtures reused in fiscal 2013: 2,061	6
Store management	Resource saving	Promoting cooperation with local governments among offices and branches to reduce plastic shopping bag use	Implement measures to reduce plastic shopping bag use 1. Implement eco-bag point campaign 2. Take part in campaigns to reduce plastic shopping bag use with JFA and local governments	1. Reduced plastic shopping bag use by 7.36 million bags from March to November through eco-bag points 2. Implemented plastic shopping bag reduction campaigns with seven prefectures and three cities Plastic shopping bag handout rate: 78.3%	3
	Waste reduction	Increasing the food recycling ratio	1. Promote recycling of used cooking oil Fiscal 2013 target: 9,600 stores (10,000 Group stores) 2. Promote food recycling Fiscal 2013 target: 1,900 stores (2,350 Group stores) Statutory target food recycling ratio: 34.5% or more *Fiscal 2012 result: 50.3%	1. Recycled used cooking oil Fiscal 2013: 10,105 stores (10,468 Group stores) 2. Recycled food Fiscal 2013: 2,240 stores (2,292 Group stores) Food recycling ratio: 47.6%	3
Supply chain	Energy saving	Calculating fiscal 2012 supply chain CO ₂ emissions	1. Collect data on energy use 2. Calculate CO ₂ emissions and verify results	1. Implemented fiscal 2012 surveys of vendors and distribution centers, aggregated results 2. Calculated CO ₂ emissions, responded to GHG verification audits	5
Overall	Legal compliance/Risk management	Improving and spreading awareness of Group compliance and risk management frameworks	Reinforce organizational responsiveness and improve employee awareness through the CRO system	<ul style="list-style-type: none"> Evaluated risks of new services and initiatives prior to launch and formulated recurrence prevention measures through the Compliance & Risk Management Committee Implemented risk management training Revised internal reporting system based on results of monitoring 	5
	Risk management	Establishing a Groupwide disaster prevention framework	Improve business continuity/disaster response measures and increase disaster prevention awareness	<ul style="list-style-type: none"> Conducted Group emergency drills three times during the year Updated BCP guidelines 	5
	Social contribution	Promoting diversity and social contribution initiatives	1. Promote advancement of women to management positions 2. Promote hiring of persons with disabilities	1. Women: Lawson was selected as a Nadeshiko Brand 2. Group hiring ratio of persons with disabilities: 2.22% (compliant with statutory rate)	5
	Social contribution	Promoting the health of FC owners and employees	Improve rate of comprehensive and ordinary medical checkups and promote health-related initiatives	<ul style="list-style-type: none"> Rate of comprehensive health checkups in latter half of fiscal 2013 (compared with fiscal 2012): 120% Health seminar participation rate (compared with fiscal 2012): 162% 	5
	Social contribution	Promoting Groupwide social contribution initiatives	Operate in-store fundraising under a new framework	<ul style="list-style-type: none"> Launched the Lawson Group "Happiness in Communities" fund and began distributing funds through the new system Regularly reported monthly collection amounts on our website and POS displays 	5
	Social contribution	Promoting Groupwide social contribution initiatives	Promote volunteer participation in Lawson Green Fund forestry projects. Year-on-year participation: 100%	Fiscal 2013 participation results: 403 volunteers in 29 projects. Year-on-year participation: 131.1%	6
	Social contribution	Promoting community contribution initiatives	1. Support children and scholarship recipients 2. Promote cleanup/greening activities and initiatives	1. Operated the Support Dreams Fund 2. Operated the KYOTO Student City 3. Implemented Mount Fuji Forestation Project, Tokyo Umi-no-Mori Project, and Arakawa Clean Aid, etc.	4
	Raising awareness	Implementing environmental education	1. Implement training for CSV officers, FC owners, new hires, product development assistants, affiliate companies, etc. 2. Promote certification under the Certification Test for Environmental Specialists (the Eco Test)	1. Implemented environmental training for officers in charge of CSV promotion, FC owners, new hires, product development assistants, affiliate companies, etc. 2. Promote and followed up on certification under the Certification Test for Environmental Specialists	5

*Achievement level:

Evaluation of numerical targets: More than 100%: 6, 100%: 5, 90% or more: 4, 80% or more: 3, 70% or more: 2, less than 70%: 1

Evaluation of qualitative goals: Better than expected: 6, as expected: 5, mostly as expected: 4, partially achieved but requires improvement: 3, behind schedule: 2, very little achieved: 1

Social and environmental conservation costs

Activities aimed at protecting the environment incur costs. We take steps to identify the amount of investment and expenses with respect to our environmental conservation endeavors across every phase of our business operations. We use the results of our findings to put in place appropriate solutions.

Period covered: March 1, 2013 to Feb. 28, 2014

Organization covered: Lawson headquarters and franchise stores¹ (Thousands of yen)

Category	Main Activities	Investment	Expenses	Benefits	
(1) Business area costs	(1)-1 Pollution prevention costs	Maintenance of new stores' waste water treatment tanks	0	3,002	Water pollution control
	(1)-2 Global environmental conservation costs	Introduction of energy efficient equipment, CO ₂ Offset Program	7,854,204	98,732	CO ₂ reduction
	(1)-3 Resource recycling costs	Waste-related expenses ²	0	5,806,473	Legal compliance
(2) Upstream/downstream costs	Costs related to the Container and Packaging Recycling Law	0	438,506	Legal compliance	
(3) Administration costs	Preparation of CSR reports, ISO 14001 inspections	0	14,091	Raising awareness and promoting environmental activities	
(4) Research & development costs	Research costs for energy-efficient stores	0	8,670	CO ₂ reduction	
(5) Community engagement activity costs	Greening activities, neighborhood cleanup activities, donations to NPOs	0	64,226	Biodiversity conservation, local community beautification	
Total		7,854,204	6,433,700		

Notes: 1. Includes area franchise stores and LAWSON STORE100 stores in Japan

2. The cost of waste disposal and resource recycling is an estimate calculated based on the figures of a standard store as a sample