

## 1

# FamilyMart Co., Ltd.

## Companies' approach

<p>① <b>Background and purpose of accounting</b></p>	<ul style="list-style-type: none"> <li>• We measure the amount of CO2 emission in the entire supply chain.</li> <li>• Tracking the change of emission overtime allows us to assess our company's environmental impact.</li> <li>• We are able to respond to information disclose request from stakeholders such as evaluating institutions.</li> </ul>
<p>② <b>Utilization of accounting results</b></p>	<ul style="list-style-type: none"> <li>• Working with supply chain, we start out on addressing the categories where we are able to cut emission.</li> <li>• We can check cost efficiency of our reduction measures such as the introduced energy saving devices and others.</li> <li>• We are able to meet information disclosure request from stakeholders such as evaluation institutions.</li> </ul>
<p>③ <b>Benefits of accounting</b></p>	<ul style="list-style-type: none"> <li>• Calculating and evaluating Scope 3 emissions consecutively can enhance our future sustainable strategies.</li> <li>• Answering questionnaires of external institutions bolsters our credibility among stakeholders.</li> </ul>
<p>④ <b>Internal system for accounting</b></p>	<ul style="list-style-type: none"> <li>• The environmental department collects data from related departments including the ones handling products and other departments and accounts for CO2 emission.</li> </ul>

## 2

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## ⑤ Efforts to reduce supply chain emissions

- In Scope1, we aim to cut emission by renewing company-owned cars to environmental friendly ones, and upgrading commercial refrigerators and freezers regularly.
- In Scope 2, we promote saving energy in store equipment and reduce emissions.
- In Scope 3, we identify the reduction possibility along our supply chain through accounting emissions and build more effective climate strategy.

## ⑥ Issues in supply chain emissions accounting

- Since Category1 (Purchased goods and services) covers a wide variety of products, it is difficult to choose which emission factor should be adopted.
- Category 6 (Business travel) is calculated based on data of expenses to reimburse. The complexity of those data content makes difficult to apply a proper emission factor.
- Diversity of new products and service to offer makes difficult to apply a proper emission factor.

## ⑦ Other

- In order to account for emission in more accurate and simple way, a method to identify a proper emission factor should be considered.
- The accounting results of FY2017 were verified by a third party.

## 3

## FamilyMart Co., Ltd.

Category	Accounting methods ※Accounting period : March 2018 - February 2019	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> <li>Cost of goods purchased and supplies at stores/offices</li> </ul>	<ul style="list-style-type: none"> <li>Value-based emission factor *1</li> </ul>
Category 2: Capital goods	<ul style="list-style-type: none"> <li>The amount of capital investment</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per capital good price *1</li> </ul>
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> <li>Electricity consumption</li> <li>Fuel consumption of company-owned cars</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per electricity consumption*1</li> <li>Emission factor per heat consumption *2</li> </ul>
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> <li>Fuel consumption of delivery vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per fuel consumption*1</li> </ul>
Category 5: Waste generated in operations	<ul style="list-style-type: none"> <li>The volume of waste by type</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor by waste types/disposal ways (including a phase of waste transportation)*1</li> </ul>
Category 6: Business travel	<ul style="list-style-type: none"> <li>Business related traveling expenses</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per the number of stays/traveling expenses*1</li> </ul>
Category 7: Employee commuting	<ul style="list-style-type: none"> <li>Traveling expenses</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per traveling expense</li> </ul>
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	
Category 10: Processing of sold products	<ul style="list-style-type: none"> <li>Out of scope – according to the basic guidelines of GHG accounting through supply chain</li> </ul>	
Category 11: Use of sold products	<ul style="list-style-type: none"> <li>Fuel cartridges for portable gas stoves and others</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor for combustion of filler *3</li> </ul>
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> <li>Usage of containers and packages</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor by waste types (in case it is difficult to know the process/recycling) including a phase of waste transportation*1</li> </ul>

\*1 Adopted from Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.6)

\*2 Referred to CFP Communication Program Basic Database (Ver.1.01)

\*3 Mandatory Greenhouse Gas Accounting and Reporting System List of Emission Factors

## 4

## FamilyMart Co., Ltd.

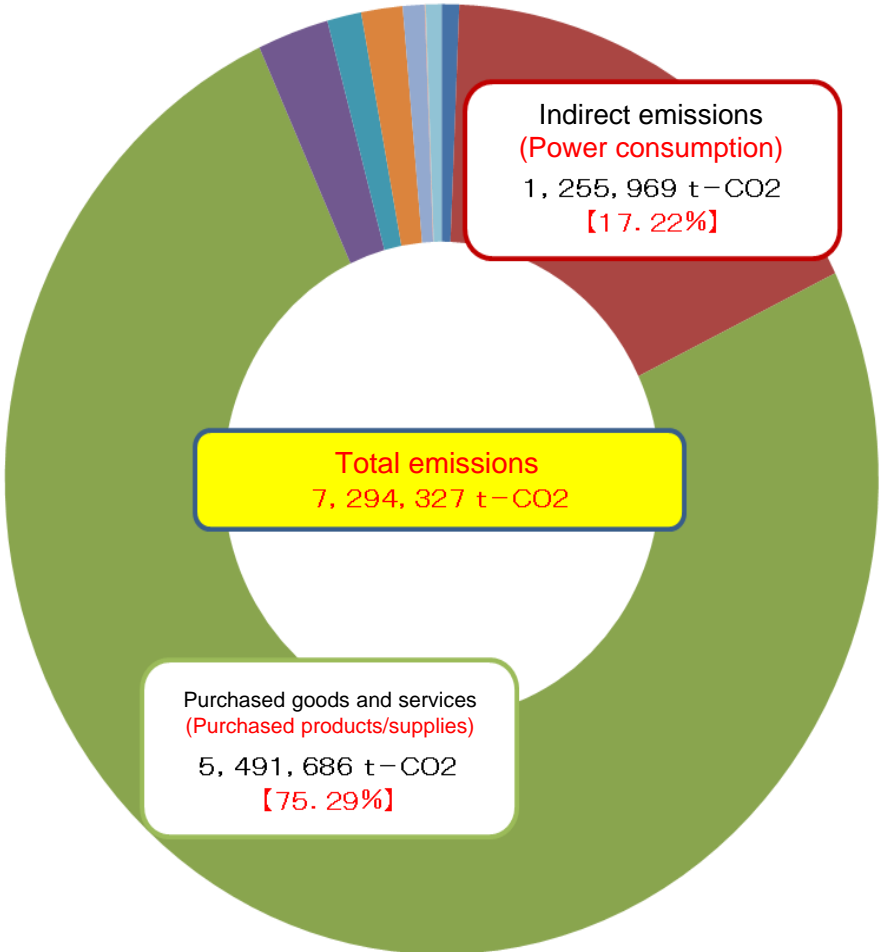
Category	Accounting methods ※Accounting period : March 2018 - February 2019	
	Activity data	Emission factor
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> <li>• Out of scope – according to the basic guidelines of GHG accounting through supply chain</li> </ul>	
Category 14: Franchises	<ul style="list-style-type: none"> <li>• Electricity consumption of franchise stores is included in Scope 2</li> </ul>	
Category 15: Investments	<ul style="list-style-type: none"> <li>• Out of scope – according to the basic guidelines of GHG accounting through supply chain</li> </ul>	
Other	<ul style="list-style-type: none"> <li>• Out of scope – voluntary category</li> </ul>	

# 5 FamilyMart Co., Ltd.

## Supply chain emissions : Accounting results

Category No.	Category	Ratio
Scope1	Direct emissions (CFC, company-owned gas vehicles)	0.64%
Scope2	Indirect emissions (Electricity consumption)	17.22%
Category1	Purchased goods and services (Purchased products/supplies)	75.29%
Category2	Capital goods (Fixed assets/lease investment assets)	2.63%
Category3	Fuel-and energy-related activities not included in Scope 1 or Scope 2	1.26%
Category4	Upstream transport and delivery (Fuel of delivery vehicles)	1.53%
Category5	Waste generated in operations (Waste from stores/electronic waste)	0.80%
Category6	Business travel	0.03%
Category7	Employee commuting	0.01%
Category11	Use of sold products (Fuel cartridges)	0.01%
Category12	EoL treatment of sold products (containers/packages)	0.58%

### GHG emissions in FY2018



- Scope1
- Scope2
- Category1
- Category2
- Category3
- Category4
- Category5
- Category6
- Category7
- Category11
- Category12