

ESG Databook 2022 Actual

Scope
•Skylark Group Companies in Japan (SKYLARK HOLDINGS CO., LTD. Skylark Restaurants Co., Ltd. NILAX Inc. Tomato and Associates Co., Ltd. FLO Japon Co., Ltd. Skylark D&M Co., Ltd. Japan Cargo Co., Ltd.) •Boundary if applying to overseas group companies (Taiwan Skylark Co., Ltd. SKYLARK MALAYSIA SDN.BHD. SKYLARK USA INCORPORATED)

Sustainability KPIs				
Materiality	Initiatives for 2030 KPIs	Main Indicators	2030 KPIs	2050 KPIs
Decarbonization	Promoting energy conservation Promote transition to renewable energies	Reductions in CO2 Emissions (Scope 1 and Scope 2)※1	50.4% less than 2018 levels	0
		Reductions in CO2 Emissions(Scope 3)※1	30% less than 2018 levels	0
		Reductions in CO2 Emissions(Scope 1,Scope 2 and Scope 3)※1	37% less than 2018 levels	0
Food Loss Reduction	Reduction of food loss Promote recycling of waste food materials	Amount of Food Waste	50% less than 2018 levels	75% less than 2018 levels
		Recycling Rate	50%	75%
Reduction of Plastic Consumption	Reduce use of disposable plastics Promote transition to environmentally friendly materials Promote recycling of waste plastics	Amount of disposable plastics used	50% less than 2018 levels	50% less than 2018 levels
		Percentage of Petroleum-derived Materials Used in Single-use Plastics	50%	0
Water Resource Conservation	Reduction of water withdrawal at factories and stores	Water withdrawal	10% less than 2018 levels	20% less than 2018 levels
Biodiversity	Expanded handling of certified food ingredients and materials	Percentage of Domestically Produced Vegetables Used that are JGAP Certified (or certified by a similar organization)	50%	100%
		Percentage of RSPO Certified Palm Oil Used	100%	100%
		Percentage of FSC/PEFC Certified Paper Products	75%	100%
Food safety and security	Continuous updating of quality assurance system Continuation of appropriate labeling	Number of Major Food Accidents	0	0
		Number of online/retail product recalls	0	0
Health & Nutrition	Evolution of product brushing and promotion Expansion of health- and nutrition-conscious menu items Expanded Nutrition Facts Labeling	Provision of menus that contribute to healthy eating habits	10 (per brand)	20 (per brand)
Customer Orientation	Thorough QSC (Quality, Service, Cleanliness) improvement Strengthening the system for utilizing the "voice of the customer" in management Promotion of products and services based on customer feedback	Customer Overall Satisfaction Levels	90%	95%
DX	Promote DX throughout the company and in all brands	—	—	—
Workstyle Reform	Promoting Diversity	Percentage of Women in Managerial Positions	30%	50%
	Promotion of Health Management	Percentage of Smokers	15%	0
	Promotion of work-life balance	Number of Overtime Hours Per Month	20hours	0
		Paid Leave Acquisition Rate	80%	100%
Responsible procurement	Conducting business partner surveys Thorough management of business partners on human rights, labor, environment, food safety, and ethics	Conducting supplier CSR surveys	100%	100%
		Supplier due diligence on human rights	100%	100%

※KPI includes overseas group companies

※Years compared to 2018 and 2020 are base years, respectively.

※1(Scope 1 and Scope 2) set KPI targets in 2020, (Scope 3) and (Scope 1, Scope 2, and Scope 3) set KPI targets in 2022.

2022 Activity Review		
	Materiality	Main Activities
Environment	Decarbonization	GHG emissions and Scope 1-3 calculations
		Endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and participated in the TCFD Consortium.
		Prepared a "scenario analysis" for disclosure of information required by TCFD
	Food Loss Reduction	Establishment of the "Food Waste Reduction Subcommittee" to promote cross-division initiatives
	Reduction of Plastic Consumption	Switch to wooden and bamboo cutlery for delivery and take-out
		Switched to paper straws for use in the stores
Received the 12th Achievement Award for Promoting Biomass Products		
Society	Food safety and security	Began pesticide residue testing
	Customer Orientation	QSC Improvement Committee established to incorporate customer feedback into management
	DX	Installed 3,000 service robots in approximately 2,100 restaurants
		Headquarters DX project launched in February to promote paperless headquarters operations
	Workstyle Reform	Established a "Human Rights Subcommittee" to promote initiatives across divisions and formulate a human rights policy
	Responsible Procurement	Obtained ISO 20400 (International Standard for Sustainable Procurement) for procurement of some marine products
Conducted CSR survey to ask suppliers to understand and practice respect for human rights and global environmental conservation, Requested suppliers to sign an agreement on procurement guidelines.		
Governance & Others	KPIs Setting	Set KPIs for each Materiality in each division in the company
	Policy Making	Development of various policies. (decarbonization policy, de-plasticization policy, food loss reduction policy, anti-bribery policy)
	Donations and Fundraising	Playground equipment was installed at "Chofu Gakuen", a children's home, by employee volunteers based on a donation from the Children's Playground Support Fund
		Donated approximately 31 million yen to the Office of the United Nations High Commissioner for Refugees through the "Ukraine Humanitarian Aid Donation"
	ESG Assessment	CDP Climate Change" certified with a "B" rating
		Obtained a "FTSE Russell" ESG Rating of 4.1
Selected as a component of the "FTSE Blossom Japan Sector Relative Index"		

Environment

Policy	
Environmental Policy	https://corp.skylark.co.jp/en/sustainability/environment/environmental_policy/
Decarbonization policy	https://corp.skylark.co.jp/en/sustainability/environment/de-carbonization/
Food Loss Reduction Policy	https://corp.skylark.co.jp/en/sustainability/environment/food_loss/
De-plasticization Policy	https://corp.skylark.co.jp/en/sustainability/environment/waste_reduction/
Biodiversity Policy	https://corp.skylark.co.jp/en/sustainability/environment/biodiversity/

Decarbonation					
Category	Item	Unit	FY12/2020	FY12/2021	FY12/2022
CO ₂ emissions : Scope 1	Scope 1	t-CO ₂	112,462	98,913	★104,683
	Scope 1 intensity	t-CO ₂ /million yen	0.40	0.38	0.36
CO ₂ emissions : Scope 2	Scope 2 (location-based)	t-CO ₂	244,445	211,457	219,722
	Scope 2 (market-based)	t-CO ₂	228,137	194,595	★195,136
	Scope 2 intensity (market-based)	t-CO ₂ /million yen	0.81	0.76	0.67
CO ₂ emissions : Scope 3	Scope 3	t-CO ₂	742,028	678,837	734,828
	Scope 3 intensity	t-CO ₂ /million yen	2.65	2.64	2.51
	1. Purchased products and services	t-CO ₂	578,427	529,405	★575,457
	2. Capital goods	t-CO ₂	51,722	43,411	51,785
	3. Fuel and energy activities not included in Scope 1 and 2	t-CO ₂	35,128	31,539	33,840
	4. Transportation, delivery (upstream)	t-CO ₂	44,708	42,439	43,193
	5. Waste from business operations	t-CO ₂	4,585	4,402	4,590
	6. Business trip	t-CO ₂	801	774	647
	7. Employer's commute	t-CO ₂	21,015	21,080	19,933
	8. Leased assets (upstream)	t-CO ₂		Not applicable	
	9. Transportation, delivery (downstream)	t-CO ₂	11	12	35
	1 0. Processing of sold products	t-CO ₂		Not applicable	
	1 1. Use of products sold	t-CO ₂		Not applicable	
	1 2. Disposal of sold products	t-CO ₂	2,227	2,610	2,202
	1 3. Leased assets (downstream)	t-CO ₂		Not applicable	
1 4. Franchise	t-CO ₂	3,404	3,165	3,146	
1 5. Investment	t-CO ₂		Not applicable		
※1(Scope 1 and Scope 2) set KPI targets in 2020, (Scope 3) and (Scope 1, Scope 2, and Scope 3) set KPI targets in 2022.	Total of Scope 1 and 2 (Market basis)	t-CO ₂	340,599	293,508	299,819
	Intensity of Scope 1 and 2 (Market basis)	t-CO ₂ /million yen	1.22	1.14	1.03
	Total of Scope 1, 2 and 3 (Market basis)	t-CO ₂	1,082,627	972,345	1,034,647
	Intensity of Scope 1, 2 and 3 (Market basis)	t-CO ₂ /million yen	3.87	3.78	3.54
Energy consumption	Amount used	Crude oil equivalent kl	182,809	162,104	172,935
	Intensity	kl/million yen	0.65	0.63	0.59
Electricity consumption	Amount used	K kwh	515,069	462,442	496,182
	Intensity	K kwh/million yen	1.84	1.80	1.70
	Non-renewable energy use	K kwh	515,069	462,442	495,721
	Renewable energy usage	K kwh	—	—	461
	Renewable energy ratio	%	—	—	0.1

※CO₂ emissions are calculated in accordance with various standards of the GHG Protocol.

★ is a third-party verification item (from 2022, verification is received for the relevant fiscal year from the Japan Management Association (JMA), an external third party).

Preservation of water resources					
Category	Item	Unit	FY12/2020	FY12/2021	FY12/2022
Water intake	Total water intake	t	6,276,360	5,609,982	5,883,307
	Surface water intake	t	5,992,810	5,328,112	5,579,193
	Underground water intake	t	283,550	281,870	304,114
	Intensity	t /million yen	22.42	21.81	20.13
Water discharge	Total water discharge	t	6,141,061	5,479,891	5,768,218
	Sewer discharge	t	5,520,786	4,947,016	5,214,139
	River discharge	t	620,276	532,876	554,079

Reduction of food loss					
Category	Item	Unit	FY12/2020	FY12/2021	FY12/2022
Food waste	Food waste generated	t	27,340	26,076	26,959
	Food waste recycled	t	7,342	7,916	8,865
	Food waste	t	19,207	17,156	16,919
	Per-unit food waste	kg/million yen	68.60	66.69	57.88
	Percentage of food waste recycled	%	35.1	37.9	44.9
Non-food waste	Amount of non-food waste generated	t	7,996	7,354	8,160
	Amount of non-food waste recycled	t	7,996	7,354	8,155
	Amount of non-food waste	t	27,122	24,966	23,699
	Amount of hazardous waste generated※1	t	0	0	5
Total amount disposed	Amount of waste generated	t	34,545	32,426	33,943
	Total amount of waste recycled	t	15,338	15,270	17,019
	Total amount of waste disposed	t	19,207	17,156	16,924

※1 Measure PCB (polychlorinated biphenyl) generation

Plastics removal					
Category	Item	Unit	FY12/2020	FY12/2021	FY12/2022
Disposable plastic usage	Amount used	t	4,282	4,806	4,273
	Petroleum-derived materials ratio	%	95	87	86
Packaging material usage	Total packaging materials ※1	t	4,188	4,497	4,128
	Paper fiber packaging materials	t	1,088	1,073	1,060
	Plastic packaging materials	t	2,383	1,971	1,738
	Environmentally friendly packaging materials ※2	t	717	1,453	1,330
	Per-unit weight of plastic packaging materials used	kg/million yen	46.6	31.6	29.0
	Weight of recycled packaging materials	t	1,521	1,254	1,118

Biodiversity					
Category	Item	Unit	FY12/2020	FY12/2021	FY12/2022
Percentage of certified products used	JGAP or similar certification for domestically grown vegetables	%	5.0	5.0	5.0
	RSPO Certification for Palm Oil	%	0	0	0
	FSC/PEFC certified products in paper products	%	0	0	28.0
Compliance with environmental laws and regulations	Environment-related fines and penalties	yen	0	0	0

※1 Packaging material values are in accordance with the Container Recycling Law reporting.

※2 Environmentally friendly packaging materials are those that use talc, biomass, etc. as part of the material.

Social

Policy	
Quality Charter	https://corp.skylark.co.jp/en/sustainability/basic_policy/quality_charter/
Human Rights Policy	https://corp.skylark.co.jp/en/sustainability/governance/human_rights/
Procurement Policy	https://corp.skylark.co.jp/en/sustainability/environment/supply/
Customer Orientation Voluntary Declaration	https://corp.skylark.co.jp/en/sustainability/basic_policy/customer_oriented/
Health Management Declaration	https://corp.skylark.co.jp/en/sustainability/basic_policy/health/

Employees					
Category	Item	Unit	FY12/2020	FY12/2021	FY12/2022
Total number of employees 【Consolidated】	Female	persons	60,830	59,895	59,475
	Female ratio	%	61.3	61.2	62.5
	Male	persons	38,403	37,973	35,685
	Total	persons	99,233	97,868	95,160
Percentage by age (all employees)	Under 30	%	55.8	56.2	57.1
	30-50 years old	%	26.1	24.6	22.7
	Over 50	%	15.8	16.5	17.0
	Over 60	%	2.3	2.7	3.2
	Average age	years old	32.4	32.5	32.4
Percentage by race and nationality (all employees)	Japan	%	97.7	98.1	98.0
	Vietnam	%	0.3	0.3	0.3
	Nepal	%	0.1	0.1	0.1
	China	%	0.1	0.1	0.1
	Other	%	1.8	1.5	1.5
	Non-Japanese employment rate	%	2.5	2.1	2.0
	Number of Non-Japanese employees	persons	2,213	1,832	1,904

Employees					
Category	Item	Unit	FY12/2020	FY12/2021	FY12/2022
Number of full-time employees 【Consolidated】	Female	persons	863	815	818
	Female ratio	%	14.0	13.7	14.1
	Male	persons	5,298	5,137	4,986
	Total	persons	6,161	5,952	5,804
Number of part-time employees 【Consolidated】	Female	persons	58,615	57,321	59,916
	Female ratio	%	63.0	62.4	67.1
	Male	persons	34,457	34,595	29,440
	Total	persons	93,072	91,916	89,356
	Rate of non fulltime employee	%	93.8	93.9	93.9
Employment of people with disabilities	Number of employees	persons	470	513	579
	Employment ratio	%	2.3	2.9	3.3
Number of officers	Female	persons	1	2	3
	Female ratio	%	10.0	20.0	30.0
	Male	persons	9	8	7
	Total	persons	10	10	10
Number of senior management positions (director and above)	Female	persons	3	2	2
	Female ratio	%	4.8	3.5	3.2
	Male	persons	60	55	60
	Total	persons	63	57	62
Number of managers and above	Female	persons	280	308	291
	Female ratio	%	9.3	10.2	9.8
	Male	persons	2,741	2,723	2,678
	Total	persons	3,021	3,031	2,969
Number of new employees	Female	persons	94	52	93
	Female ratio	%	36.0	41.3	38.4
	Male	persons	167	74	149
	Total	persons	261	126	242
	Number of internal hires	persons	169	62	121
Recruitment costs	Average cost	yen/persons	431,942	680,280	387,108
Average years of service	Female	years	6.4	7.4	7.7
	Male	years	17.1	17.9	18.3
	Total	years	15.7	16.5	16.9
Average wage	Female	yen	4,105,044	4,224,070	4,316,317
	Male	yen	5,492,794	5,550,838	5,656,873
	Total	yen	5,314,284	5,377,105	5,479,952
Annual training	Total training time	hours	215,814	99,600	193,459
	Average training time	hours/persons	46.3	22.1	45.1
	Average number of training days	days/persons	6.0	5.0	6.5
	Percentage of training participants	%	80.5	88.7	85.9
	Total training and education costs	yen	17,070,535	7,930,724	8,850,070
	Average training/education costs	yen/persons	3,659	1,763	2,061
Qualification support ※1	Number of qualifications	qualifications	3	3	3
	Target group	persons	248	199	157
Employee turnover rate	Turnover rate	%	5.6	6.3	6.7
	Job turnover rate for personal reasons ※2	%	5.0	5.8	6.0
Employee health	Percentage of employees receiving health checkups	%	100	100	100
	Smoking rate	%	32.8	29.8	25.0
Annual working hours	Average prescribed working hours	hours/persons	1,984	1,984	1,984
	Average overtime hours worked	hours/persons	254	247	348
	Average monthly overtime hours	hours/persons	21	18	29
Percentage of taking paid leave	Total	%	60.0	63.0	62.0
Percentage of taking parental leave	Female	%	95.9	96.2	97.6
	Male	%	7.7	5.3	8.3
	Total	%	47.9	53.0	56.4
Labor union membership	Number of participants	persons	16,955	16,337	16,264
	Subscription Ratio ※3	%	17.1	16.7	17.1
Number of shareholding association subscriptions ※4	SKYLARK HOLDINGS CO., LTD.	persons	220	210	199
	Subscription Ratio ※4	%	37.4	35.7	34.1
	Group Companies	persons	977	904	847
	Subscription Ratio ※4	%	17.5	16.9	16.2
External evaluation	Obtained Kurumin certification ※4	—	○	○	○
	Obtained Tomonin Mark certification ※5	—	○	○	○

Customers					
Category	Item	Unit	FY12/2020	FY12/2021	FY12/2022
Product recall	Number of recalls of retail sales and EC products	times	—	0	0
Providing products that contribute to a healthy diet	Number of products contributing to a healthy diet ※6	items/brand	3	2	2
	Number of menus with size selection available	items	—	—	168
	Percentage of all products	%	—	—	15.4
Overall customer satisfaction	Satisfaction based on customer surveys ※7	%	—	73	81

Suppliers					
Category	Item	Unit	FY12/2020	FY12/2021	FY12/2022
Supplier monitoring and auditing	Total number of suppliers	suppliers	573	440	464
	Number of primary suppliers	suppliers	318	294	277
	Number of major primary suppliers※8	suppliers	21	16	17
	Number of suppliers implemented	suppliers	103	75	78
	Rate of implementation	%	18.0	17.0	16.8

※The items below "Number of officers" are for full-time employees

※Data as of the end of December

※1 Support for qualification acquisition: If employees pass a qualification examination designated by the company, the company will provide full support for the examination fee.

※2 Turnover rate for personal reasons: Subjects are disciplinary dismissals, expiration of leaves of absence, and retirements at retirement age.

※3 Labor union membership ratio: Number of labor union members divided by total consolidated number of employees (including part-time employees)

※4 Shareholding Association Member Ratio :Number of shareholding association members divided by the number of full-time employees for each company.

※5 Kurumin: Certification by the Minister of Health, Labor and Welfare as a "Child Rearing Support Enterprise" based on the Act on Advancement of Measures to Support Raising Next-Generation Children

※6 Tomonin Mark: Certification by the Ministry of Health, Labour and Welfare to indicate that the company is committed to promoting a workplace environment that allows work and nursing care to be compatible.

※7 Figures for products that contribute to healthy eating habits are for the four main brands (Gusto, Bamiyan, Jonathan, and Yumean).

※8 Total customer satisfaction: Performance of service quality and product quality as measured by customer surveys.

※9 Number of major primary suppliers: Number of suppliers identified as having ESG impacts or high business relevance and risk








Governance

Policy	
Anti-Bribery Policy	https://corp.skylark.co.jp/en/sustainability/governance/anti-bribery/

Corporate governance					
Category	Item	Unit	2020	2021	2022
Social contribution activities ※1	Amount of money raised	yen	31,531,420	13,880,475	40,726,184
	Cash donations	yen	31,531,420	6,437,124	33,869,184
	In-kind donations	yen (converted to monetary value)	0	7,443,351	6,857,000
	Time spent by employees participating in social contribution activities during working hours	yen (converted to monetary value)	0	863,656	872,944
	Administrative costs of social contribution activities	yen	0	81,810	103,474
Whistleblower	Number of consultations with contact person	times	448	401	431
Number of meetings held	Number of Board Meetings held	times	12 times held, 11 times in writing	14 times held, 12 times in writing	13 times held, 10 times in writing
	Number of Management Meetings "former Executive Officers' Meeting" held	times	32 times held	48 times held	48 times held
	Number of Audit Committee "former the Board of Corporate Auditors" held	times	13 times held	13 times held	13 times held
	Number of Risk Compliance Committee held	times	5 times held, 2 times in writing	6 times held, 3 times in writing	6 times held, 7 times in writing
	Number of Sustainability Committee held	times	1 time held	2 times held, 2 times in writing	5 times held, 3 times in writing
	Number of Nominated Committee held	times	9 times held	5 times held, 2 times in writing	5 times held, 1 time in writing
	Number of Remuneration Committee held	times	9 times held, 1 time in writing	5 times held, 1 time in writing	4 times held, 2 times in writing

※1 In-kind donations for social contribution activities: Amount of playground equipment donated to orphanages through the Children's Playground Support Fund

ESG Assessment and External Ratings

 FTSE Blossom Japan Index	 FTSE Blossom Japan Sector Relative Index	 MSCI Japan Equity Women's Activity Index (WIN)	 S&P/JPX Carbon Efficient Index	 Morningstar Japan ex-REIT Gender Diversity Tilt Index
 SOMPOSustainability Index	 Nikkei SDGs Management Survey 2023			