

## CSR Management

Seven & i Holdings works toward solving social issues in its core operations through promotion and development of businesses such as products and services. At the same time, we aim for sustainable development that creates value for both companies and society.

### Organization of CSR Management Committee

Seven & i Holdings seeks to promote Group-wide CSR activities that are effective and efficient. To this end, we hold regular, twice-yearly CSR Management Committee meetings where we offer guidance and make improvements based on reports received from the four subcommittees. The meetings also help to strengthen collaboration between the holding company and operating companies and the CSR management framework.

### Corporate Ethics and Culture Subcommittee

The Corporate Ethics and Culture Subcommittee aims to ensure compliance and create fulfilling workplaces for Group employees. In our initiatives to ensure compliance, we are making everyone aware of the Corporate Creed and the Corporate Action Guidelines. Moreover, in September 2016 we revised the Corporate Action Guidelines in response to changes in the social environment both in Japan and overseas. In our initiatives to create fulfilling workplaces, we are working to improve work environments and making progress on promoting active roles for diverse human resources, including women and people with disabilities. To enable timely verification of progress at each company in relation to these initiatives, a biennial opinion survey has been conducted among Group employees since 2013. Group companies share information via a working-level liaison meeting to improve on issues learned through this survey and measures for improvement at each company.

▶ [For details about the Seven & i Group Corporate Action Guidelines](#)

### Consumer Affairs and Fair Business Practices Subcommittee

The Consumer Affairs and Fair Business Practices Subcommittee aims to improve product quality and ensure safety in the products and services handled at Group companies. It also strives to disclose appropriate and clear information that helps customers to select and use products. To improve product quality and ensure safety, the Subcommittee aims to establish and strengthen its own quality levels and control systems based on Group-wide quality policies. In disclosing appropriate and clear information, purchasing staff at each Group company are notified of the latest work-related information, such as changes in laws, and regularly receive training and education. Furthermore, to ensure that we meet our social responsibilities regarding products and services across the entire supply chain, we ask business partners to understand and implement the Seven & i Holdings Business Partner Action Guidelines, and regularly confirm and assess their compliance. Additionally, to ensure fairness and transparency in our relationships with business partners, we have enhanced employee training and set up a dedicated external contact for business partners in an effort to ensure legal compliance and fair trade practices.

### Environment Subcommittee

The Environment Subcommittee works through business activities to reduce CO<sub>2</sub> emissions and make effective use of limited resources. In reducing CO<sub>2</sub> emissions, we assess environmental loads at each stage of the supply chain from product development through production, shipment, sales, and consumption, and take steps to reduce CO<sub>2</sub> emissions. We also strive to ensure compliance with laws and regulations related to the environment, such as those dealing with chlorofluorocarbons. To make effective use of limited resources, we promote foodstuff recycling and reduction of waste, effective use of forest thinning and recycled materials, preservation of diversity and procurement of sustainable raw materials. In addition, we are utilizing the Group's business characteristics as a social infrastructure to expand commercial recharging services for environmentally conscious automobiles such as electric vehicles and plug-in hybrids, to advance the environmental business in response to customers' needs. To promote these initiatives within the Group, we are engaged in various activities to raise employees' awareness. For example, we conduct regular environmental education for Group employees, work to raise awareness through events in Environment Month in June, promote acquisition of the Certification Test for Environmental Specialists (Eco Test), and undertake conservation activities at Seven Forest.

### Social Value Creation Subcommittee

The Social Value Creation Subcommittee was newly established in June 2016 to create new business opportunities based on the concept of CSV. The subcommittee's purpose is to utilize the features of business activities and promote initiatives directed at resolving specific material issues. The subcommittee will organize and share initiatives so far conducted at each Group company. It will also support and manage progress of examination and advancement of new initiatives originating from social issues by leveraging business features for each business format through similar subcommittees established in 19 Group operating companies. While deepening understanding of CSV, the subcommittee will also discuss and propose internal collaborations within Group companies and external collaborations, such as cooperation with NPOs or other companies.

## Organization of CSR Management Committee

As of October 2016



Each subcommittee is engaged in projects in which it implements measures in accordance with major issues.

## Targets and Progress by Each Subcommittee

○: Achieved, △: Almost achieved, ×: Far from achieved

Major FY2016 Targets	Results for FY2016	Evaluation	Plans for FY2017
<b>Corporate Ethics and Culture Subcommittee</b>			
Thoroughly ensuring compliance. Creating fulfilling workplaces			
Construct e-learning system to support CSR education for Group employees and commence test implementation	Refined CSR items to be included in Groupwide employee education to three. (corporate creed and Seven & i Holdings Corporate Action Guideline, compliance, and Seven & i's CSR)	×	Create e-learning course materials on the three CSR items making reference to initiatives of the Corporate Ethics and Culture Subcommittee, existing CSR training materials at Group companies and CSR trends, etc., in Japan and overseas. Begin using the materials from the second half of the fiscal year ending February 28, 2017
<ul style="list-style-type: none"> <li>Support operating companies that permanently employ more than 101 workers to hire people with disabilities</li> <li>Maintain or improve on the statutory employment rate at the five applicable Group companies</li> </ul>	<ul style="list-style-type: none"> <li>Interviewed and provided advice on hiring for operating companies concerned</li> <li>Achieved employment rate for people with disabilities of 2.47% (Groupwide)</li> </ul>	○	<ul style="list-style-type: none"> <li>Support operating companies that permanently employ more than 101 workers in hiring people with disabilities</li> <li>Conduct education using normalization education DVD regarding people with hearing disabilities</li> <li>Maintain or exceed the statutory employment rate at the five applicable Group companies</li> </ul>
Dementia supporter training course held	Certified approximately 16,000 cognitive impairment supporters Groupwide at the end of February 2016 through Groupwide Caravan Mate training courses and cognitive impairment supporter training courses at operating companies	○	Continue cognitive impairment supporter training courses at operating companies, aiming to have around 20,000 supporters Groupwide
<ul style="list-style-type: none"> <li>Promote sharing of information relating to work environment improvements</li> <li>Create awareness-raising tools for employees to promote use of paid leave</li> </ul>	<ul style="list-style-type: none"> <li>Shared examples of initiatives at each Group company every month and held meetings for sharing information on revisions of labor laws</li> <li>Reexamined awareness-raising tools for promoting use of paid leave</li> </ul>	△	Establish the Professional Liaison Meeting to regularly report progress on revised plans incorporating issues raised in the opinion survey. The meeting is to be held every four months to drive improvement activities and expand beneficial initiatives to other companies
Propose and implement new improvement measures within the Group and operating companies based on the analysis result of the second employee opinion survey conducted in 2015	Held second employee opinion survey in May, covering approximately 40,000 employees at 28 Group companies. Each operating company held meetings to analyze problems and issues, and the results were reported to their respective top managements. The proposed measures were drafted into action plans and carried out at each operating company	○	
Establish compliance promotion project for creating standards and systems at all Group companies for preventing	Created an original risk survey sheet to ascertain the compliance risks that are directly related to operations. Identified	○	Invite an external lecturer and hold a joint training seminar on the theme of intellectual property from among the

compliance violations, monitoring, and responding appropriately	risks facing the entire Group and individual companies		identified risks, for the product departments and sales promotion departments of each Group company
<ul style="list-style-type: none"> <li>Gather information on operating company strategies for employee health promotion and examine Group strategies</li> <li>Promote use of MY HEALTH WEB and hold health promotion campaigns</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced content provision on MY HEALTH WEB</li> <li>Provided healthy, low-sodium dishes at the employee cafeteria</li> <li>Held health campaigns, etc.</li> </ul>	△	Implement employee health promotion measures and mental health strategies to help achieve the targets of Health Declaration 2018
<b>Diversity Promotion Project</b>			
Continue and advance community activities and awareness-raising for changing women's awareness	<ul style="list-style-type: none"> <li>Proposed career plans on an online community website for female employees raising children</li> <li>Held seminars aimed at improving the management abilities of female managers four times</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue to hold seminars aimed at improving the management abilities of female managers</li> <li>Implement measures to foster career ambition among female employees involved in childcare</li> </ul>
Continue to hold events for fathers to encourage greater participation in the childcare process	<ul style="list-style-type: none"> <li>Promoted use of childcare leave among male employees through the internal newsletter and encouragement of supervisors</li> <li>Held seminars for male employees involved in childcare two times</li> </ul>	○	<ul style="list-style-type: none"> <li>Implement measures to change awareness among management for managing diverse subordinates and innovating work styles</li> <li>Promote use of childcare leave among male employees and continue holding Ikumen seminars</li> </ul>
Continue to hold awareness-raising events for managers	<ul style="list-style-type: none"> <li>Held diversity management seminars four times with 1,074 attendees from 21 Group companies</li> <li>Used a handbook summarizing points on managing subordinates involved in childcare or family care at 10 Group companies</li> </ul>	○	
Distribute internal notices for raising awareness of diversity promotion	Posted articles on women, men involved in childcare, bosses that encourage childcare, family care, foreigners, normalization, and other subjects in a monthly corner called "An Era of New Work Styles" in the internal newsletter which has a circulation of around 70,000 copies	○	Continue to distribute internal notices for raising awareness of diversity promotion and work style innovation
Continue with external communications	<ul style="list-style-type: none"> <li>Ranked second place overall in the "100 Best Companies Where Women Play an Active Part" ranking by Nikkei Woman</li> <li>The Company President spoke on the theme of "Diversity as an Engine of Corporate Growth" at the Japan Association of Corporate Executives. He also participated in panel discussions at the AERA forum, on the theme of "Moving Ahead on Treatment of Women!", and the Chubu Seisansei Honbu forum</li> </ul>	○	Aggressive external communication
Identify issues to be addressed for achieving both work and family care	<ul style="list-style-type: none"> <li>Surveyed the status of family care at 28 Group companies. Analyzed issues and proposed measures</li> <li>Held family care seminars two times</li> </ul>	○	Promote knowledge and awareness of systems for balancing family care with work
<b>Consumer Affairs and Fair Business Practices Subcommittee</b>			
(1) Responding sincerely to customer opinions			
Further improve quality control system at Group companies (quality control standard implementation management)	<ul style="list-style-type: none"> <li>Responded to revision of the Food Labeling Act</li> <li>Formulated Group guidelines on imprecise labeling (terms to avoid in expressions, etc., for describing functions and performance on packaging, tags, catalogues, instruction manuals, pamphlets, and the Internet)</li> </ul>	○	Apparel and Household Goods <ul style="list-style-type: none"> <li>Respond to regulation of azo dyes that generate specified aromatic amines</li> <li>Respond to revision of laundry care labels</li> <li>Formulate guidelines on ingredients labeling (production history guarantee)</li> </ul>
Apparel and household items <ul style="list-style-type: none"> <li>Hold Groupwide joint seminar for apparel and household item buyers</li> <li>Help buyers and quality control managers acquire formal qualifications (QC test and TES qualification)</li> </ul>	Apparel and Household Goods <ul style="list-style-type: none"> <li>Conducted basic, intermediate, and advanced training for apparel products (190 employees)</li> <li>QC test (quality control managers): 12 employees passed TES qualification (buyers and quality</li> </ul>	○	Apparel and Household Goods <ul style="list-style-type: none"> <li>Plan to conduct basic, intermediate, and advanced training for apparel products (400 employees)</li> <li>Training on laundry care labels for apparel product purchasing staff (440 employees)</li> </ul>

	control managers): 8 employees passed		<ul style="list-style-type: none"> <li>Continue to offer QC test and TES qualification</li> </ul>
Food Strengthen inspection system following expansion of Seven Premium private brand manufacturing plants	<p>Food</p> <ul style="list-style-type: none"> <li>Group company quality control managers met regularly to discuss quality control issues related to Seven Premium items and implemented countermeasures</li> <li>Confirmed quality management system for manufacturing plants at Group companies</li> <li>Checked food product labeling prior to store delivery</li> </ul>	○	<p>Food</p> <ul style="list-style-type: none"> <li>Strengthen information sharing through participation in Group company quality control managers in meetings regarding manufacture of Seven Premium items</li> <li>Have Group companies check quality control systems at manufacturing plants</li> <li>Check food product labeling prior to store delivery</li> </ul>
<b>(2) Establishing fair business practices</b>			
Continue to build management and training systems to ensure fair trading practices among Group companies	Group company legal officers held meetings as necessary to establish systems for ensuring compliance with and sharing information about revisions to the Antimonopoly Act, Subcontracting Act, Act against Unjustifiable Premiums and Misleading Representations, and Food Labeling Act	○	With regard to legal and regulatory compliance, hold meetings as necessary to actively gather and share information within the Group, and strengthen management systems at Group companies
<ul style="list-style-type: none"> <li>Continue to hold regular training on the Subcontract Act and the Anti-Monopoly Act</li> <li>Ensure training content is established using e-learning</li> </ul>	<ul style="list-style-type: none"> <li>At the spring and autumn personnel reassignments, held group training for newly appointed product development managers at Group companies</li> <li>Used e-learning to conduct follow-up for the abovementioned group training and checked the level of knowledge of non-new appointees</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue to conduct group training for newly appointed product development managers twice a year</li> <li>Conduct e-learning and training at each Group company to ensure education and awareness-raising regarding the Antimonopoly Act and Subcontracting Act for employees involved in negotiating with business partners, including newly appointed product development managers</li> </ul>
Conduct follow-up at each company from status of response to tax increase to 8% in advance of further tax hike to 10% in April 2017	No particular action taken as the tax increase was postponed		Conduct business partner survey to ensure regulatory and legal compliance in dealings with business partners and boost ethicality
<b>Environment Subcommittee</b>			
<b>(1) Understanding and reducing environmental impacts</b>			
Calculated Scope 3 emissions for six companies	Calculated Scope 3 emissions for a further 4 Group companies, bringing the total to 10 Group companies	○	Continue to calculate Scope 3 emissions for 10 Group companies
Install automatic PET bottle recovery machines in 7-Eleven stores in addition to operating companies that have already installed them.	Installed at two 7-Eleven stores in Koto-ku, Tokyo since December 2015	○	Adding the Ministry of the Environment's trial project and install at four 7-Eleven stores
Aim to bring the total number of operating companies certified with ISO 14001 to four, by making IY Foods acquire the certification	IY Foods acquired ISO 14001, bringing the total number of certified operating companies to four	○	Move the four companies to the revised standard 2015 version of ISO 14001
<b>(2) Forest conservation activities</b>			
Aim to have at least 1,500 participants per year in Seven Forest preservation activities. In particular, aim to have at least 100 participants, mainly local employees, at the Nagano Seven Forest preservation activities in both spring and autumn	1,629 people participated in Seven Forest Preservation activities. This included 240 participants in the twice-yearly Nagano Seven Forest preservation activities	○	Conduct activities with consideration for diversity, aiming to have at least 120 participants in both the spring and autumn Nagano Seven Forest preservation activities
<ul style="list-style-type: none"> <li>Develop environmentally friendly products and expand use of environmentally friendly packaging materials (switch to non-aluminum cartons for alcohol to enable recycling)</li> <li>Expand use of environmental labels (eco nano label expansion for Seven Premium Select Fresh Eggs-)</li> </ul>	Expanded promotion of environmentally friendly packaging materials to include switching to non-aluminum cartons for alcohol, salad containers made from recycled PET bottles, and containers made using forest thinning materials. Also adopted eco nano packaging as a follow-on from eco nano labels	○	Use environmentally friendly packaging (products) in at least 100 Seven Premium items
<b>(3) Raising environmental awareness/sharing information</b>			
Aim to have at least 1,000 employees take the Certification Test for Environmental Specialists, with a pass rate of at least 80%	1,172 employees took the Certification Test for Environmental Specialists during the fiscal year ended February 29, 2016. 893 passed for a pass rate of 76.2%	○	Aim to have 1,000 employees take the Certification Test for Environmental Specialists, with 700 passing for a cumulative total of 2,000 qualified personnel

- |  |  |  |
|--|--|--|
|  | <ul style="list-style-type: none"><li>• A cumulative total of 1,454 employees have passed the Certification Test for Environmental Specialists as of the fiscal year ended February 29, 2016</li></ul> |  |
|--|--|--|

## CSR Training for Employees

Seven & i Holdings provides employees with CSR training via group training when they join the company or are appointed to a new position through promotion or advancement in rank, in addition to using such means as the Company newsletter, quarterly reports, and the CSR Report.

Study groups, seminars, and the like are held regularly for specialized fields including compliance, diversity, and the environment, and information about volunteering is communicated to employees through the intranet.

Additionally, in the fiscal year ending February 28, 2017, we plan to conduct CSR training via e-Learning for all employees at domestic Group companies.

