


# CORPORATE SOCIAL RESPONSIBILITY (CSR)

Seven & i Holdings has set out CSR Challenges Facing the Seven & i Group for ensuring the sustainability of society and its businesses, and is tackling these challenges as a Group. We selected the challenges referring to ISO 26000, Global Reporting Initiatives (GRI) guidelines, and survey questionnaires sent by CSR evaluating organizations. We also considered the Group's business characteristics, initiatives it could take toward solving social issues, and incorporated dialogues with external CSR experts.

Seven & i Holdings has been selected as a constituent of the Dow Jones Sustainability World Index, a well-known socially responsible investment (SRI) index, for four consecutive years.

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For details, please refer to our website.



<http://www.7andi.com/en/csr/index.html>


## CSR Challenges Facing the Seven & i Group

### Providing Safe, Reliable Products and Services

Seven & i Holdings places the greatest importance on safety and reliability in all stages, from product planning to retail. At our stores, product quality is comprehensively checked, and we sell private-brand items that place value on the location and method of production as well as on the traceability of food products.

### Creating Fulfilling Workplaces

Seven & i Holdings has approximately 150,000 employees working in Japan and abroad. It is vital for the Group that we improve the capabilities of store employees, especially those who are in contact with customers. We are working to support individual employees, including part-timers, to develop their abilities and careers.

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### Strengthening Corporate Governance and CSR Management

In order to strengthen measures regarding the Challenges and CSR activities, we established the CSR Management Committee, which is chaired by the president and composed of the people responsible for the CSR-related divisions, and three subcommittees under its management—the Corporate Ethics and Culture Subcommittee, Consumer Affairs and Fair Business Practices Subcommittee, and Environment Subcommittee.

### Coexisting with Local Communities


Seven & i Holdings store network covers some 54,000 stores worldwide, serving around 55 million customers per day.\* Making use of the characteristics of stores, which bring together many people, and a variety of ways we can utilize the Group's store network, distribution and information systems, we hope to make our stores useful in diverse ways by becoming part of the infrastructure of peoples' daily lives.

\* Including area licensees

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### Reducing Environmental Impact

In order to fulfill our mission of offering society safe and reliable products and convenience, we have continued aggressively opening new stores and developing products and services. However, the increasing number of stores, products and services has been accompanied by an increase in electricity consumption and waste volume. While suppressing the expansion of the environmental impact to the greatest extent possible, we will also undertake activities to help resolve environmental issues.

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## Creating Fulfilling Workplaces

### Measures to Foster More Capable Employees

In March 2012, the Group established a training center in Yokohama City, Kanagawa Prefecture. The center is complete with a conference room, a training room with shelves modelled on a sales floor, a cash register training room, a skills training room for employees working with fresh foods (delicatessen items, fresh fish, sushi, fresh meat, fruit and vegetables). The skills room is designed to enable employees to acquire skills easily, with a large monitor for showing close-ups of the area where the trainer's hands are working, and equipment for transmitting images to stores.

The Seven & i Group has a large number of operating companies, and we are also working to actively utilize the educational expertise strengths of each company in other companies, too. For example, Ito-Yokado (IY) has appointed employees as operators for 7-Eleven stores to enable them to acquire expertise in the business operations of Seven-Eleven Japan (SEJ), and also has sales staff from Sogo & Seibu instruct on how to improve customer service.



### Promoting Active Participation by Women

Women account for many of the customers who shop at Seven & i Holdings stores, and most employees, including part-timers, are women. It is therefore important to be attractive for our female customers by realizing working environments where female employees can achieve their full potential, and to incorporate the perspectives of female employees in store creation, product development, and operations.

In Japan, we launched the Diversity Promotion Project in June 2012, and have been working to promote the active participation of female employees. For example, at some operating companies such as IY and Sogo & Seibu, female employees take central roles in store operation, enabling us to create products and store layouts that appeal to the senses of female customers. Numerous points for improvement suggested in the process are now being implemented at our other stores.

Moreover, we also seek to incorporate female perspectives in management, and have been promoting the appointment of women in management positions. As part of this initiative, we have held discussion events to provide opportunities for female managers to build a network, and to identify any problems that women face as managers. We also have held lectures by invited experts to support career promotion for women. In step with these efforts, the ratio of female managers has been increasing, and we aim to achieve a ratio of 30% by February 29, 2016.

These initiatives of having female employees play a central role in store operation, holding cross-group discussion events, and actively appointing women to management positions, have won recognition from the Working Women's Empowerment Forum, from which Seven & i Holdings received the Empowerment Award in February 2014.



Target ratio of female managers for end of FY2016:

**30%**

End of FY2012: 17.8%, End of FY2013: 21.4%

\* Totals for the following companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, Seven & i Food Systems, Seven Bank, and Akachan Honpo.

### Creating Even More Fulfilling Workplaces

In January 2013, we conducted an anonymous employee opinion survey about workplace quality and compliance awareness among approximately 26,000 employees at 27 operating companies. This survey was the first of its kind, and we plan to conduct them every second year, with the next scheduled for 2015. We will promote initiatives to realize workplaces that are easy to work in and that enable anyone to demonstrate their abilities in full. We aim to improve on the results of the survey by the next time it is held.



## Coexisting with Local Communities

### Supporting Daily Shopping for Those in Need

The number of retail stores has decreased in many areas, along with shrinking public transportation networks in Japan. Increasing numbers of people also feel worried about driving as they age. For these reasons, the number of people who have difficulties with daily shopping has increased, mainly among the elderly, and this has become a social issue.

Responding to these social trends, the Seven & i Group companies have been working to create new services for supporting daily shopping for those in need by leveraging the store networks and logistics and information systems they have built up over the years. For example, IY offers the *Net Supermarket* service, where customers can use their PC or mobile phone to order products, which are then delivered to their homes within their chosen time frame.

#### SALES FROM NET SUPERMARKET AND CHANGE IN MEMBERSHIP

Net Sales (left scale)

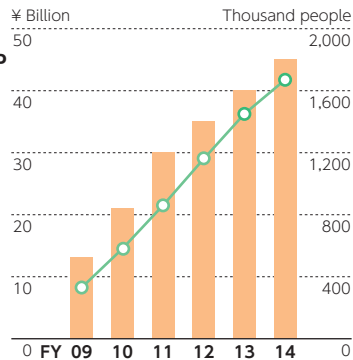
**¥45.0 billion**

(Fiscal year ended Feb. 28, 2014)

Number of Members (right scale)

**1,670 thousand people**

(as of Feb. 28, 2014)



### Collaborating with Business Partners

In March 2011, the Tohoku region of Japan was devastated by the Great East Japan Earthquake. Seven & i Holdings has been leveraging its strengths as a retailer to assist the recovery of this region by procuring goods there to support local business activity.

We have been implementing the Tohoku Kakehashi Project in our stores since November 2011, in collaboration with prefectural governments in the Tohoku area, local Tohoku-based companies, and leading food manufacturers. The project aims to keep the public's awareness of the disaster-stricken areas fresh by holding major campaigns two to three times each year to support the recovery of the agricultural and fishing industries in Tohoku. Seven & i Holdings will continue to serve as a bridge between consumers and producers by using its procurement and sales operations to bring goods from Tohoku to customers throughout Japan.

#### THE TOHOKU KAKEHASHI PROJECT

Sponsors/Participating companies:

**219**

Number of Products Launched in the Project:

**Approx. 1,500 items**

\* As of the 8th fair in the Tohoku Kakehashi Project, held in March 2014. When the first fair was held, there were 22 sponsors or participating companies and about 200 items launched.

### Responding to Disaster Risk

Timely delivery of goods is essential to store operations. In the wake of the Great East Japan Earthquake, however, damage to fuel depots such as oil refineries and deterioration of the transport network caused serious fuel shortages not only in the areas most effected by the disaster, but in Tokyo also.

Seven & i Holdings decided to construct a fuel storage station to be used for product delivery vehicles as part of its large-scale disaster countermeasures on site at IY's distribution center in Saitama Prefecture in the spring of 2014. The fuel storage station stores 400 kiloliters of fuel at all times, to be used for delivering emergency supplies in the event of a disaster. This is sufficient to ensure faster and more reliable delivery of emergency supplies and other products to evacuation centers in disaster-affected areas, as well as Group company stores in Tokyo, Saitama, and Chiba prefectures for up to 10 days. By continuing to operate our stores, customers will be able to continue shopping even after a disaster. The fuel storage station was the first of its kind for the Japanese retail industry.



Fuel Storage Station:  
Above-ground section

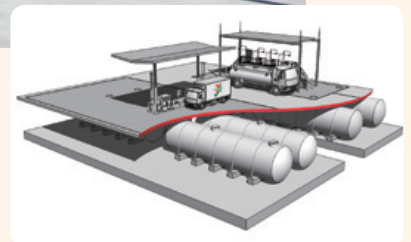


Image of the fuel stockpile base



## Reducing Environmental Impact

### Energy Conservation Measures Taken at Stores

About 90% of CO<sub>2</sub> emitted by Seven & i Holdings is attributable to the use of energy for in-store lighting, store signboards, and air conditioning, which are all indispensable for the operation of its stores. Seven & i Holdings has been introducing energy-saving equipment at the time of opening new stores and refurbishing existing stores, thereby preventing its environmental impact from increasing in proportion to increases in the number and size of stores, and to reduce electricity service charges.

As part of measures to reduce CO<sub>2</sub> in store construction, SEJ is increasing its use of prefabricated store construction, which greatly reduces the use of steel frames. SEJ is also opening stores constructed of wood in some areas. Wood construction has advantages over steel frames in that it creates fewer CO<sub>2</sub> emissions from materials procurement through to construction, and less industrial waste when the store is demolished.

**FY2018 CO<sub>2</sub> emission reduction target:**

**10%**

compared to "business-as-usual" (BAU)

\* According to a projection for emissions in the fiscal year ending February 28, 2018, based on actual emissions for the fiscal year ended February 29, 2012, for the following nine Group companies in Japan: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Seven & i Food Systems, York-Mart, Akachan Honpo, THE LOFT, and SHELL GARDEN.

### Use of Food Waste and Sustainable Food Procurement

IY turns the food residues from its stores into compost and cultivates crops using the compost at its dedicated "Seven Farms." The harvested crops are sold mainly at neighboring IY stores. Since IY purchased the entire yield, even if it is of non-standard shape, it can achieve stable procurement that is unaffected by market trends. There are 10 Seven Farms (approximately 70 hectares in total) across Japan as of February 28, 2014, and IY plans to increase the number of farms going forward.



Vegetables harvested at a Seven Farm

This initiative was awarded the Ministry of Agriculture, Forestry and Fisheries Award by the Japan Food Industry Association and the Organization of Food-marketing Structure Improvement in the Environmental Division of the 35th Food Industry Best Company Award.

### Climate Change Countermeasures and Biodiversity

In addition to environmental activities conducted at stores, we are also taking steps in Japan and abroad to curb CO<sub>2</sub> emissions from deforestation and forest degradation, foster CO<sub>2</sub> absorption by forests, and secure habitats for diverse forms of life.

In Indonesia, we implemented the "REDD+" project at Meru Betiri National Park (about 58,000 hectares) for four years from 2010. The project helps to conserve biodiversity and mitigate climate change, while also contributing to improving the lives of local people.

In Japan, we have been implementing a project to foster forest improvement in conjunction with the Seven-Eleven Japan Memorial Foundation since June 2012. The project conducts forest improvement activities at 10 locations throughout Japan, with employees and SEJ franchised stores volunteering regularly to take part. In the project area of Nagano Prefecture, the Group is striving to make use of the wooden material derived from thinning the forests, for example in benches at stores, storefront charity collection boxes at 7-Eleven stores, and business cards. Through this project we aim to encourage use of domestic timber to create healthy forests.

IY is selling a series of rice cultivated in consideration of environmental conservation and in harmony with nature. The cultivation not only uses less pesticide and chemical fertilizer, but also aims to conserve biodiversity by using rice fields that can serve as wildlife habitats. IY donates part of the sales of this product to a government organization engaged in improving the environment of the rice production areas. This initiative has been well received as a scheme that enables customers to support these efforts as well.



Rice cultivated in consideration of environmental conservation and in harmony with nature