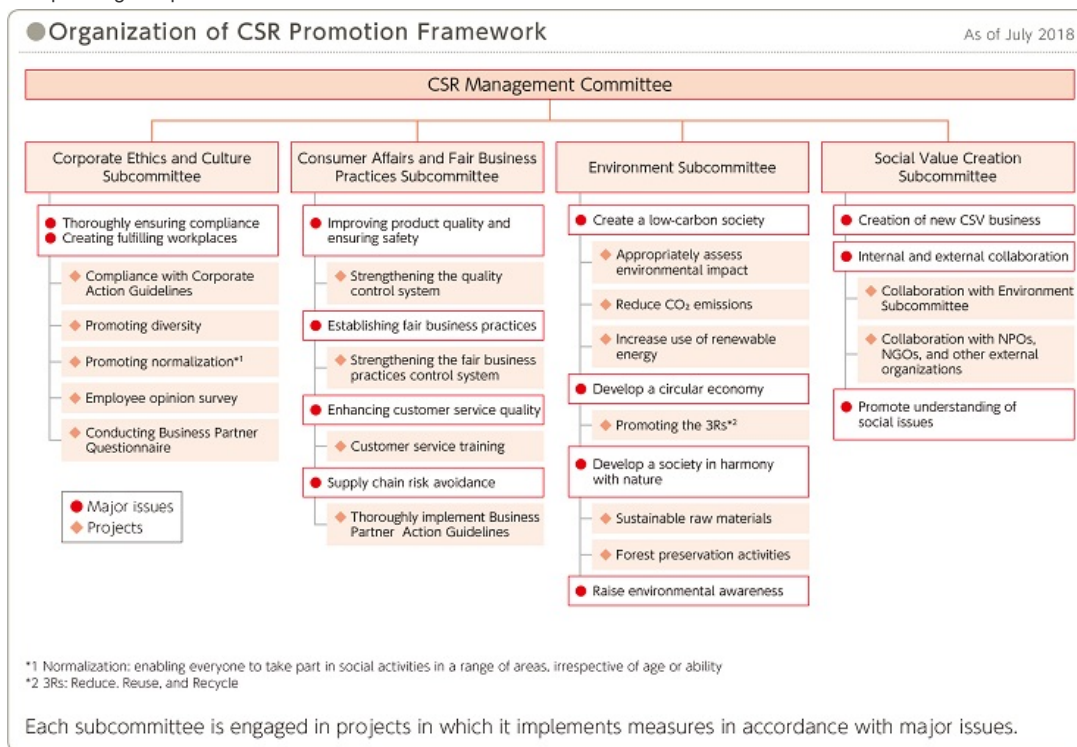


CSR Management

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.

CSR Promotion Framework

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



Corporate Ethics and Culture Subcommittee

The Corporate Ethics and Culture Subcommittee conducts initiatives 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, individual Group companies revised their guidelines (employee codes of conduct) in accordance with the Corporate Action Guidelines, which were revised in September 2016.

A biennial opinion survey has been conducted of Group employees since 2013 with timely confirmation of progress at each company regarding initiatives for ensuring comprehensive compliance as one of its objectives. Separate from this survey, the Seven & i Group also conducts a Business Partner questionnaire to confirm that Group employees are acting in accordance with the Corporate Creed and Corporate Action Guidelines in their dealings with business partners.

Group companies share information on the progress made by employees of Group companies and accomplishments of measures to improve the issues identified by these two surveys. Through these efforts, we seek to improve on those issues.

In our initiatives to create fulfilling workplaces, we are working to improve work environments, beginning with rectifying long working hours, along with making progress on promoting active roles for diverse human resources, including women and people with disabilities, and helping employees balance work and family care responsibilities. In addition, we are encouraging employees to take days off on holidays and acquire leave.

➤ [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 for each Group company 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 Group 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.

[> For details about the Seven & i Group Business Partner Action Guidelines](#)

Environment Subcommittee

The Environment Subcommittee works through business activities to reduce CO₂ emissions and make effective use of limited resources, among other goals.

With regard to CO₂ emissions, we set targets for expanding the use of renewable energy by stores, assess environmental loads at each stage of the supply chain from product development through production, shipment, sales, and consumption, and take steps to reduce emissions.

To make effective use of limited resources, we are making a phased shift to environmentally-conscious containers and packaging for Seven Premium original products with a focus on promoting foodstuff recycling and reducing waste. We are also expanding the use of raw materials that have received certification for consideration of sustainability.

In addition, the Seven & i Group possesses social infrastructure in the form of store networks in various regions. We are making use of this business characteristic by installing automated plastic bottle collection machines in stores in 2012 and taking measures to encourage recycling of domestic resources and raise customer awareness regarding recycling. The collected bottles are recycled in Japan and re-used as packaging for products sold by the Seven & i Group.

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

Based on an awareness that efforts to solve social issues will lead to new business opportunities as the Group expands its business domains and related social problems become increasingly varied, the Social Value Creation Subcommittee takes action to create business that generates social and economic value (creating shared value; CSV).

Aiming to realize a sustainable society, the Seven & i Group has identified five material issues that it must address through engagement with various stakeholders. In response, the Social Value Creation Subcommittee is working to plan and execute new businesses originating from social issues to be addressed through core businesses by leveraging business characteristics and management resources, including the Group's business infrastructure and expertise cultivated to date. Moreover, set up similar structures at each Group company, is building internal promotion frameworks, and conducting periodic training for relevant personnel at a Group companies to further expand the scope of action.

Apart from this, the subcommittee will strive to deepen initiatives with a view to fostering external collaboration with NPOs, business partners, social entrepreneurs and other partners.

Targets and Progress by Each Subcommittee

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

Major FY2017 Targets	Results for FY2017	Evaluation	Plans for FY2018
Corporate Ethics and Culture Subcommittee			
① Thoroughly ensuring compliance			
<ul style="list-style-type: none"> Conduct e-learning on CSR and human rights (harassment) to foster a stronger awareness of CSR and compliance among employees, in response to the revision of the Seven & i Holdings Corporate Action Guidelines in 2016 	<ul style="list-style-type: none"> Conducted e-learning on CSR in March 2017 and on human rights (harassment) in November 2017 	○	<ul style="list-style-type: none"> Conduct e-learning on LGBT issues, ESG, and the SDGs tailored to recent social developments Conduct e-learning on harassment (practical application)
<ul style="list-style-type: none"> Continue to implement awareness-raising activities for employees through such means as incorporating intellectual property into Groupwide e-learning and the existing training curricula of each company 	<ul style="list-style-type: none"> Collaborated with the product divisions of operating companies to incorporate intellectual property into existing training and e-learning according to business activities and raise employee awareness of intellectual property 	○	<ul style="list-style-type: none"> Continue intellectual property training incorporated into training and e-learning to ingrain understanding, investigate further training on intellectual property, and enhance understanding further Designate November as Compliance Reinforcement Month and conduct training and other programs
② Creating fulfilling workplaces			
<ul style="list-style-type: none"> Conduct the third employee opinion survey Hold meetings to discuss issues and devise improvement measures, with the goals of verifying the results of activities and identifying new issues in response to the results of the employee opinion survey Rename the Professional Liaison Meeting as the Work Satisfaction Improvement Committee and continue to confirm the progress of improvement activities and share examples of activities 	<ul style="list-style-type: none"> Conducted the third employee opinion survey in May 2017 Held meetings in August and September 2017 to discuss issues and propose improvement measures, and each company identified new issues Each company shared information on the progress of activities in November and December 2017 	○	<ul style="list-style-type: none"> Review employee opinion surveys, change to a survey for understanding employee engagements, and implement in FY 2018
<ul style="list-style-type: none"> Strengthen support for operating companies that permanently employ at least 101 workers by hiring people with disabilities, ahead of the reduction of the statutory employment rate for people with disabilities from April 1, 2018 Maintain or exceed the statutory employment rate for people with disabilities at the five applicable Group companies Conduct education using the Human Rights Awareness Handbook booklet and DVD 	<ul style="list-style-type: none"> Shared information on the status of hiring, determination of hiring rates, and promotion of employment of persons with disabilities at relevant operating companies Achieved employment rate for people with disabilities of 2.66% (Group applicable employment rate) Produced a Human Rights Awareness Handbook and DVD and conducted employee training 	○	<ul style="list-style-type: none"> Share information among and provide support to operating companies in order to further promote the employment of persons with disabilities * Produce a DVD on the hiring and retention of persons with disabilities Maintain or exceed the statutory employment rate for people with disabilities at the five applicable Group companies
<ul style="list-style-type: none"> Continue cognitive impairment supporter training courses at operating companies, aiming to have around 26,000 supporters Groupwide 	<ul style="list-style-type: none"> Certified approximately 30,000 cognitive impairment supporters on a cumulative basis (as of end of February 2018) 	○	<ul style="list-style-type: none"> Certify approximately 35,000 cognitive impairment supporters group-wide on a cumulative basis

Major FY2017 Targets	Results for FY2017	Evaluation	Plans for FY2018
<ul style="list-style-type: none"> ● Launch the MY HEALTH WEB smartphone app service ● Continue to conduct stress checks ● Continue to provide healthy, low- sodium dishes at the employee cafeteria ● Continuously implement health campaigns 	<ul style="list-style-type: none"> ● Began distribution of the MY HEALTH WEB smartphone app in May 2017 ● Continuously conducted stress checks for all employees ● Continued to offer low-sodium ramen at employee cafeterias in July 2017 ● Conducted an "Afternoon Nap and Massage Revitalization" campaign in September 2017 ● Received 2018 Health and Productivity Management Organization certification 	○	<ul style="list-style-type: none"> ● Encourage use of MY HEALTH WEB ● Conduct "Learn from Apps" health courses ● Conduct a "Iki-Iki Mental Health" training courses ● Conduct a "Good Digestive Health through Diet" campaign ● Hold "Dieting for Everyone" courses ● Conduct a campaign encouraging employees to undergo breast cancer exams ● Conduct training on protecting oneself during a disaster
③ Diversity Promotion Project			
<ul style="list-style-type: none"> ● Strengthen training of female candidates for management positions 	<ul style="list-style-type: none"> ● Percentage of female managers (section managers and team leaders) reached 29.3% (end of February 2018) ● Held four seminars to provide networking opportunities to female employees who seek to become managers and to enhance business skills 	○	<ul style="list-style-type: none"> ● Set KPI to increase the percentage of female managers to 30% by 2020 and review progress each fiscal half ● Continue nurturing and bolstering female candidates for management positions
<ul style="list-style-type: none"> ● Continue to conduct awareness raising activities targeting the executives and managers of Group companies ● Promote use of childcare leave among male employees 	<ul style="list-style-type: none"> ● Held three diversity management seminars ● Raised awareness regarding the participation of men in childcare. Produced and displayed posters encouraging men to take childcare leave targeting managers and employees who take leave 	○	<ul style="list-style-type: none"> ● Continue to conduct awareness raising activities targeting the executives and managers of Group companies ● Encourage men to participate more in housework and childcare (cooking classes for men and so on)
<ul style="list-style-type: none"> ● Disseminate basic knowledge on balancing work and family care responsibilities 	<ul style="list-style-type: none"> ● Held one nursing care seminar and one nursing care community event 	○	<ul style="list-style-type: none"> ● Raise understanding of programs and achieve zero employee separations due to the need to provide nursing care ● Enhance the dissemination of information to employees currently involved in nursing care
<ul style="list-style-type: none"> ● Continue to distribute internal notices related to diversity promotion and work style innovation ● Conduct awareness-raising activities regarding LGBT issues ● Aggressive external communication 	<ul style="list-style-type: none"> ● Continued presenting information on role models in monthly internal notices and ran a special feature on LGBT issues ● Held an LGBT seminar for managers ● Ranked third in the "100 Best Companies Where Women Play an Active Part" ranking by Nikkei Woman magazine 	○	<ul style="list-style-type: none"> ● Promote diversity and inclusion and continue internal publicity relating to work-life synergies ● Develop appropriate responses to LGBT customers and employees at worksites ● Aggressive external communication
–	–		<ul style="list-style-type: none"> ● Review personnel systems with the aim of creating environments that facilitate work

Major FY2017 Targets	Results for FY2017	Evaluation	Plans for FY2018
Consumer Affairs and Fair Business Practices Subcommittee			
① Improving product quality and ensuring safety			
<ul style="list-style-type: none"> Advance the development of a Groupwide quality control system <ol style="list-style-type: none"> Develop the foundations of quality control departments at each company (personnel structure and business domains) Establish reporting lines for use in the event of incidents Formulate guidelines for responding to incidents Risk management training (Implement training to enhance specialized skills for quality control managers) 	<ul style="list-style-type: none"> <ol style="list-style-type: none"> Increased personnel at Group companies and established an independent quality control department at each company Created structures for prompt notice to managers via relevant divisions within each company in the event of a major quality control incident and for providing information to Seven & i Holdings management Established guidelines on whether affected products should continue to be sold, methods of notifying customers who purchased the products, and whether incident reports are needed Conducted risk management training on defects under the Product Liability Act, harm scenarios, risk assessment, risk mitigation methods, and other topics 	○	<ul style="list-style-type: none"> Develop foundations and reinforce organization and personnel at each Group company
<ul style="list-style-type: none"> Plan to conduct basic, intermediate, and advanced training for apparel products (400 employees) Continue undergoing testing for QC inspection and TES certification 	<ul style="list-style-type: none"> Conducted basic, intermediate, and advanced training for 302 employees Three employees passed QC certification and 20 passed TES certification 	△	<ul style="list-style-type: none"> Conduct MD training (textiles, sundries, Pharmaceuticals and Medical Devices Act, etc.) Produce a handbook to enhance the knowledge of employees responsible for apparel and household products
<ul style="list-style-type: none"> Encourage responses by Group companies in systematize HACCP <ol style="list-style-type: none"> Address in-store food preparation Address manufacturing plants from a supply chain perspective 	<ul style="list-style-type: none"> Time schedules were proposed for acquisition of certification in each business format and for each operating company for HACCP systemization in FY 2020 and progress was managed HACCP briefings were conducted in relevant divisions 	○	<ul style="list-style-type: none"> Promote acquisition of certification pursuant to international standards by plants that manufacture original products to support HACCP systemization Establish a foodstuffs sanitation and management handbook
② Establishing fair business practices			
<ul style="list-style-type: none"> Hold meetings with Group companies as necessary to share information, identify issues, and implement remedial measures 	<ul style="list-style-type: none"> Investigate the status of compliance with the Subcontracting Act by Group companies, clarify rules regarding the allocation of expenses when stores request support, and implement remedial measures 	○	<ul style="list-style-type: none"> In preparation for the consumption tax rate increase, monitor the status of compliance with the consumption tax imputation methods and promote remedial measures
<ul style="list-style-type: none"> Conduct joint training for new newly appointed product managers in March and October Conduct periodic e-learning <ul style="list-style-type: none"> June: Product labeling September: Premiums November: Antimonopoly Act (abuse of superior position, Subcontracting Act) 	<ul style="list-style-type: none"> Conducted training in March and October new newly appointed product managers on abuse of dominant bargaining position and labeling <ul style="list-style-type: none"> March: 108 persons at 14 companies October: 134 persons at 15 companies Status of e-learning implementation: <ul style="list-style-type: none"> June: Two courses on foodstuff labeling and apparel/household product labeling <ul style="list-style-type: none"> Participants: 1,950 persons at 17 companies Apparel/household product: 1,822 persons at 13 companies September: Course on premium labeling <ul style="list-style-type: none"> Participants: 3,057 persons at 22 companies November: Course on the Antimonopoly Act and Subcontracting Act <ul style="list-style-type: none"> Participants: 3,504 persons at 24 companies 	○	<ul style="list-style-type: none"> Conduct joint training for new newly appointed product managers in March and October on abuse of dominant bargaining position, the Subcontracting Act, and display-related laws Conduct e-learning <ul style="list-style-type: none"> May: Labeling, premiums, etc. September: Consumption tax imputation method October: Antimonopoly Act (abuse of dominant bargaining position, Subcontracting Act)

Major FY2017 Targets	Results for FY2017	Evaluation	Plans for FY2018
Environment Subcommittee			
① Understanding and reducing environmental impacts			
<ul style="list-style-type: none"> Implement third-party trials at Category 1 for SEJ, which has a large amount of Scope 3 emissions 	<ul style="list-style-type: none"> Implemented third-party trials at Category 1 for SEJ 	○	<ul style="list-style-type: none"> Obtain new third-party certification of IY Foods CO2 emissions
<ul style="list-style-type: none"> Expand stores installing small machines for convenience stores in the fiscal year ending February 28, 2018 by using the Ministry of Environment's trial project 	<ul style="list-style-type: none"> Installed small plastic bottle recovery machines at 300 7-Eleven stores in the fiscal year ended February 28, 2018 	○	<ul style="list-style-type: none"> Expand the recovered plastic bottle recycling scheme
② Forest conservation activities			
<ul style="list-style-type: none"> Begin Nagano Seven Forest preservation activities at a new location in Nagano, following the expiry of the agreement for the current Nagano Seven Forest 	<ul style="list-style-type: none"> Renamed the forest owned by Shinanomachi in Nagano Prefecture the "Seven Forest" and started preservation activities 	○	<ul style="list-style-type: none"> Conduct second forest preservation activities and propose and implement a 10-year forest preservation plan
<ul style="list-style-type: none"> Introduce environmentally friendly packaging materials for 740 Seven Premium products 	<ul style="list-style-type: none"> Introduce for a total of 950 products 	○	<ul style="list-style-type: none"> Introduce environmentally friendly packaging materials for an additional 950 Seven Premium products (for a total of 1,900 products)
③ Raising environmental awareness/sharing information			
<ul style="list-style-type: none"> Have 1,700 employees pass the Certification Test for Environmental Specialists 	<ul style="list-style-type: none"> Total number of employees who passed: 1,713 (cumulative total: 4,151) 	○	<ul style="list-style-type: none"> Have 2,000 employees pass the Certification Test for Environmental Specialists (for a cumulative total of 6,151)
Social Value Creation Subcommittee			
① Promote understanding of CSV			
<ul style="list-style-type: none"> Create opportunities to promote understanding of CSV 	<ul style="list-style-type: none"> Recommended sales of environmentally friendly and ethical products and promoted understanding of business geared towards solving social issues 	△	
② Promote understanding of social issues			
<ul style="list-style-type: none"> Create opportunities for employees to gain a deep understanding of the social issues underlying the five material issues that the Group should address 	<ul style="list-style-type: none"> Provided opportunities to deepen understanding of social issues through participation in volunteer activities and other programs 	○	<ul style="list-style-type: none"> Use opportunities for dialogue such as events for exchanging opinions with outside stakeholders to deepen understanding of social issues local communities where stores are located
③ Create new CSV businesses			
<ul style="list-style-type: none"> Plan, formulate, and execute new businesses originating from social issues at Group companies Consider collaborations led by Group companies and external collaborations with NPOs and business partners 	<ul style="list-style-type: none"> Started offering products and services intended to solve social issues at 18 Group operating companies 	△	<ul style="list-style-type: none"> Create new business through collaboration with outside organizations such as NPOs and NGOs Develop and sell products that use recyclable resources through collaboration with the Environment Subcommittee

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 internal portal site.

Also, starting in the fiscal year ended February 28, 2017, we conducted CSR training via e-learning for all employees at domestic Group companies. In the fiscal year ended February 28, 2018, we conducted e-learning on the fundamentals of CSR, environmental issues, and preventing harassment.

We also implemented e-learning on the Antimonopoly Act (abuse of dominant bargaining position), the Subcontracting Act, product labeling, and other topics for all employees who deal with business partners.

