

Material Issue 2 Providing Safety and Reliability through Products and Stores

Approach to Material Issues

The Seven & i Group handles about 3 million product items at its stores at each company, and also develops a variety of private brand products. Because of this, we place the utmost importance on ensuring the quality of our products, including their safety and reliability. We also recognize the material issue of our role as a social infrastructure that can be used with peace of mind, even in emergencies such as natural disasters.

■ Relevant policy

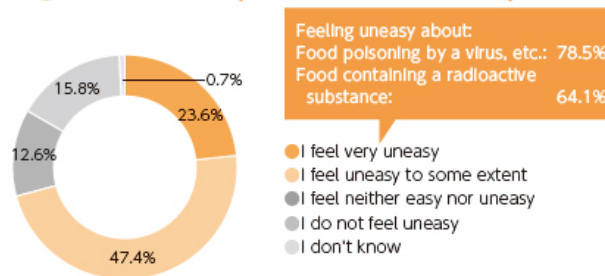
> [Quality Policy](#)

Background to Material Issues

Food Safety

With the globalization of food and the occurrence in recent years of incidents and accidents that threaten food safety and security food, there is a growing interest in food safety, including the issues of controlling raw materials, food additives, and residual agrichemicals. In particular, answers to a survey by the Cabinet Office showed that about 70% of people feel uneasy about food safety and want companies to be required to further strengthen their quality control systems.

Degree of Anxiety about Food Safety



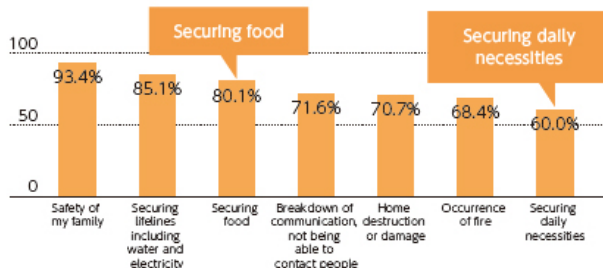
Source: Results of the report entitled Awareness About Food Safety (2015)
Consumer Affairs Agency

Frequent Natural Disasters

In recent years, floods and landslides due to heavy rain occur frequently, driven by climate change and other factors. Also, many natural disasters such as large-scale earthquakes continue to occur in connection with the location of the Japanese archipelago.

In Japan, especially, where many people suffer due to natural disasters, social infrastructure, such as the provision of the goods and services necessary for daily life, plays an important role when a large-scale disaster occurs. The Company is expected to ensure business continuity to provide a safe and secure base.

What are your worries about when an earthquake occurs? (Multiple answers allowed)



Source: "Questionnaire on Disasters" (August 2011), Meiji Yasuda Life Insurance Company

Promotional Framework for Material Issues

In response to this material issue, the CSR Management Committee, led by the president, and its subordinate Consumer Affairs and Fair Business Practices Subcommittee, work together with the Group companies and related departments to provide safety and reliability through products and stores. The Group is also working to ensure information security under the Group Information Management Committee. These activities are supervised by the Seven & i Holdings executive officer in charge of Corporate Communication.

Contribution to SDGs

By tackling this priority issue, Seven & i Group will provide living bases that ensure people's safety and security in the event of natural disasters due to climate change, and will contribute to achieving Sustainable Development Goals 2, 3, 9, 11 and 13.



Seven & i Holdings' Initiatives

Building a Quality Control System

We are working to adopt international management system standards and management techniques concerning quality and hygiene in order to provide safe and reliable products to customers.

[> More](#)

Food Traceability

We proactively disclose product traceability information (distribution history) in all processes from the procurement of raw materials to sales.

[> More](#)

Consideration to Health

In light of customers' increasing health consciousness, we are working to reduce the use of food additives and provide nutritionally well balanced food.

[> More](#)

Communication with Customers

We have set up a "customer consultation desk" at each Group company to obtain opinions, requests, and other feedback from customers and respond promptly, in order to improve products and services from the standpoint of customers.

[> More](#)

Information Security and Personal Information Protection

We are implementing information security measures based on the belief that appropriately securing and managing the safety of information assets handled by the Seven & i Group is a vital responsibility.

[> More](#)

Appropriate Disclosure of Information on Products and Services

We strive to label products accurately and clearly in order to provide an appropriate selection of product and service options for customers, while taking care to avoid any misleading labeling.

[> More](#)

Implementing Crime Prevention Measures for Local Communities

We cooperate with community crime prevention efforts in order to ensure that customers can visit and shop at our stores safely and reliably.

[> More](#)

Disaster Assistance

We endeavor to reopen stores promptly and keep stores open in the event of a disaster to fulfill our mission as a lifeline for communities.

[> More](#)

Disaster Reconstruction Support

Leveraging our strengths as a retailer, we are proactively procuring goods from business partners in the afflicted areas and selling them to customers across Japan.

[> More](#)

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Building Quality Control Systems

Seven & i Holdings is working to introduce international management system standards and management methods regarding quality and hygiene in order to provide safe and reliable products to customers.



Establishing a Foundation for Quality Control in Each Group Company

Seven & i Holdings is working to establish quality control systems, recognizing that a product incident at one Group company affects the entire Group. Product control officers at the development division for the Seven Premium private brand, 12 Group companies that handle food products and 10 that handle apparel and household items meet regularly to share their policies and information. These activities are designed to prevent incidents and strengthen the Group's ability to respond rapidly when incidents occur. Specifically, Group companies are working to establish the following foundation for quality control.

Establishing a Foundation for Quality Control

1. A system with a dedicated department that can respond to incidents objectively.
2. A system for reporting major incidents quickly to the top management.
3. Guidelines for judging whether to recall products or continue sales if a serious incident occurs.

Adoption of the NDF-HACCP Certification System

SEJ has adopted the HACCP*1 (Hazard Analysis and Critical Control Point) method since 1997 as a method to manage food hygiene. In addition, for review and certification of the quality control status of dedicated plants, we check their compliance with a safety standard of approximately 140 check items based on HACCP. Based on the results of this check, high-quality plants recognized to be above a certain level are certified under our NDF-HACCP Certification System. A third party is commissioned with the inspection, and the results are inspected and certified by the Nihon Delica Foods Association (NDF)*2. Moreover, Seven-Eleven Japan (SEJ) is conducting audits to maintain the level of quality management even after the acquisition of certification. SEJ also holds study sessions on food allergies for daily food processing plants to deepen understanding of allergy onset mechanisms and symptoms and to promote the creation of food allergy management systems.

*1 HACCP: A process management system that analyzes hazards at each step of production, from ingredient acceptance through to product finalization, and provides continuous monitoring and recording of critically important hazard prevention processes.

*2 Nihon Delica Foods Association (NDF): The NDF was formed in 1979 to improve hygiene quality management levels at daily food manufacturing facilities and to eliminate region-based quality differences.

[> For more details about SEJ initiatives \(in Japanese\)](#)



Acquisition of JGAP Certification

For our private brands Fruits and Vegetables with Traceability at Ito-Yokado, we are working to acquire the Japan Good Agricultural Practice (JGAP) certification, an agricultural production process management technique, in order to further improve the level of our quality management.

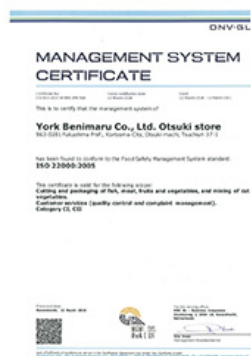
JGAP sets standards that should be implemented in day-to-day agricultural management to improve safety and protect the environment. Certification has been acquired for 29 locations as of February 28, 2018, and efforts will be made for further certification going forward.

[> For more details about Ito-Yokado initiatives \(in Japanese\)](#)

Acquisition of ISO 22000 Certification

York-Benimaru Co., Ltd. acquired certification under ISO 22000, an international food safety management system, at its Otsuki Store in Koriyama City, Fukushima Prefecture.

Going forward, York-Benimaru will use the experience of acquiring ISO 22000 certification to introduce HACCP systems at all stores while training store employees. The company will also work to provide greater safety and confidence to customers regarding food products and enhance product quality in all stages from procurement to sale.



Hygiene Management Based on ISO 9001

At Seven & i Food Systems, the QC Office that serves as the hygiene management division has acquired the ISO 9001 international standard concerning quality management (application scope consisting of food hygiene management system standards and provision at stores). Utilizing this system, efforts are made to improve hygiene management at stores and educate employees.

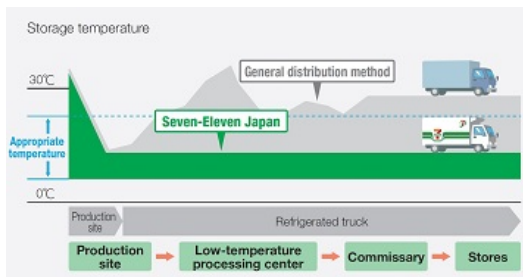
In hygiene management, priority is placed on freshness management that is easy to understand and can be performed by anyone. The QC Office conducts checks at stores, and random checks of store hygiene are also conducted by a third-party hygiene inspection organization (wipe inspections). Store employees undergo periodic hygiene management training to raise hygiene management levels.

[> For more details about Seven & i Foods Systems initiatives \(in Japanese\)](#)



Introduction of Cold Chains

Various vegetables are used in 7-Eleven's original daily foods (rice balls, sandwiches, stuffed bread, salads, delicatessen items, noodles, and so on), and more than 90% of those vegetables are produced in Japan. Freshness is essential for good taste, and for this reason, fresh domestic vegetables are used. We began introducing cold chains (low-temperature distribution networks) in 2005 for low temperature transportation and processing in order to maintain high levels of freshness of domestic produce from harvesting in the field to delivery to stores. Harvested vegetables are consistently maintained at low temperature in delivery vehicles, at sorting centers and processing factories, and until placement on store shelves. In addition, the active use of domestic produce in regions close to where it was harvested reduces energy use in transportation.



Cold chains (low-temperature distribution networks)

Inspection for Radioactive Substances

In response to an increase in inquiries since the Great East Japan Earthquake, the Seven & i Holdings Group voluntarily conducts inspections to complement the monitoring of radioactive materials that was carried out by the government, and we have posted details on our website. The Radioactivity Project was established as an internal organization at YB to enable customers to shop with confidence by complementing the monitoring on radioactive substances implemented by the government. We install equipment for measuring radioactive substances at key points within the area where we have established stores, and an internal organization conducts regular inspections. The inspection results are announced on the company's website. For the case of our private brand Three-Star Fruit and Vegetables, we endeavor to sell products that meet the criteria by having buyers visit production sites and conduct soil inspections and independent inspections on samples. Inspections for radioactive substances are also conducted for IY's Foods with Traceability and the results are published on the company's website.

- [> For more details about IY initiatives \(in Japanese\)](#)
- [> For results of the inspections at York-Benimaru \(in Japanese\)](#)

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Food Traceability

The Seven & i Group proactively discloses traceability of products as an initiative to emphasize the safety and reliability of its products at all stages from raw materials procurement through to sales.

“Fresh Foods with Traceability” and “Products with Visible Production Areas” Initiatives

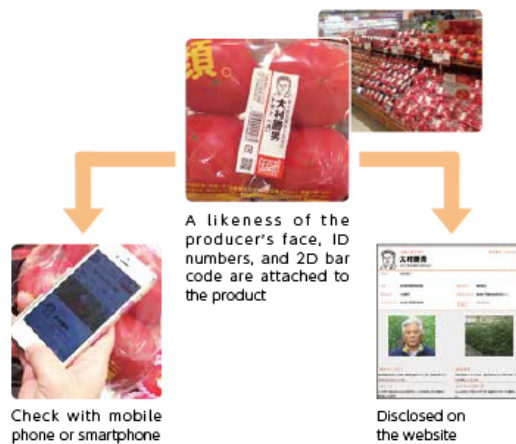
IY sells products under its private brand Fresh Foods with Traceability, where we achieve an accurate understanding of production sites, production methods, and distribution channels and communicate these to customers. For these products, our procurement officers check with producers at the production sites to ensure that they are using appropriate cultivation and stock-raising management. Before the products are sold, various tests are conducted, including agricultural chemical residue tests, as well as soil, feed, and water quality tests, and third-party confirmation is obtained. Furthermore, radioactive substances are also inspected under stringent standards that are stricter than the statutory standards.

Customers can confirm producer and inspection-results information for Fresh Foods with Traceability products on the IY website using a PC or smartphone. As of February 28, 2018, 233 items are handled under the Fresh Foods with Traceability brand, covering all fresh foods including vegetables, fruits, meat, eggs, and fish. Also, York-Benimaru has established a section called “York-Benimaru Products with Visible Production Areas” on its website, providing information on the production site, characteristics, production process, producers, and other aspects of the fresh food that the company has carefully selected. As of February 28, 2018, we are handling about 30 product items under this system.

> [For more details about IY initiatives \(in Japanese\)](#) 

> [For more details about York-Benimaru initiatives \(in Japanese\)](#) 

Producer Information Disclosure Methods (Example from IY)



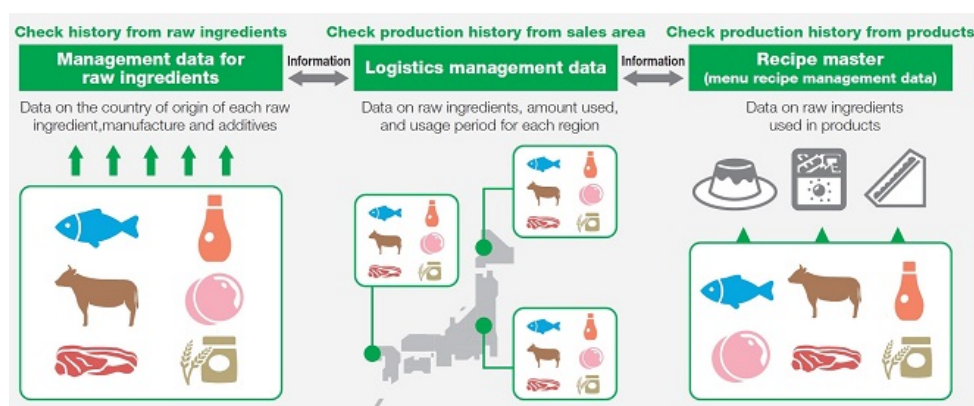
Centralized Management of Production Records

SEJ uses an average of 40 different food materials (including seasonings) per daily food product item, which includes rice and delicatessen items. To manage these individual products and correctly grasp which production facilities produced them and which materials have been used in which regions, SEJ manages information from all its approximately 160 dedicated plants using a database system and links this to the point-of-sale data at its stores to precisely manage the production history of its products, from the production region of the materials used to the stores where the products are sold. This enables any problems that arise in connection with food materials, for example, to be addressed immediately. Further, to make absolutely sure about the products it sells, SEJ also verifies whether products contain any additives or allergens.

In addition, SEJ is also able to precisely track the volume of food materials, packaging, and containers used at every plant, which helps it reduce waste by limiting excess production, for instance. Moreover, the company voluntarily conducts DNA testing on rice to prevent the admixture of other varieties as well as testing for radioactive substances.

> [For more details about SEJ's initiatives \(in Japanese\)](#) 

SEJ's Raw Material Production Record Management Framework



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Consideration for Health

Amid increasing public interest in health and nutrition, including the problems of obesity, diabetes, metabolic syndrome and nutritional deficiencies, Seven & i Holdings is responding to a stronger health orientation among customers by working to reduce the use of food additives and provide food products with a good balance of nutrients.



Reducing the Use of Food Additives

Seven & i Holdings is taking steps to reduce the use of additives in food products as a step towards providing health conscious products. For example, 7-Eleven's original daily foods, numbering around 2,000 items including rice balls and boxed lunches, and IY's delicatessen items, boxed lunches, and sushi produced in-store are all free from synthetic coloring agents and preservatives.

Further, since 2007 SEJ has eliminated phosphates, from approximately 30 varieties of ham and sausage products used in original sandwich products, as excessive consumption of phosphates may block the absorption of calcium. In addition, the company is continuing its own initiatives with food manufacturers to reduce trans fatty acid, which is said to increase the risk of heart disease. Based on the Guidelines on Trans Fatty Acid Labeling issued by the Consumer Affairs Agency, SEJ discloses information on its website on levels of saturated fatty acid, trans fatty acid, and cholesterol contained in its main food products.



Reduction of Trans Fatty Acids

(Example) Amount per 100 g of Ajiwai Koppe (Strawberry Jam & Margarine)

2005	2007	2012	2018
1.86g	0.18g	0.15g	0.11g

[> For more details about SEJ initiatives \(in Japanese\)](#) 

Providing Healthy Meals Supervised by Physicians and Managing Dietitians

Seven-Meal, SEJ's home delivery service, delivers healthy meals with a good balance of nutrients adjusted for calories and sodium content, with physicians and managing dietitians supervising menu development, nutrient content, and other aspects of the meals. The service strives to develop products with authentic, home-cooked flavor that pursue enduring tastiness without the use of preservatives or synthetic coloring agents.



Seven-Meal "Omakase Gozen" (Daily boxed lunch)

Consideration for Health

SEJ adopted "Good Health Starts with this Hand" as a new catchphrase and expanded the roll-out at 7-Eleven stores nationwide of products that pay particular attention to safety, reliability, and health starting in March 2018. In response to rising demand for healthy foods, the "Good Health Starts with this Hand" logo is placed on products that contain dietary fiber equal to that in a serving of lettuce and contain at least one-half of the daily requirement of vegetables,* and stronger appeals of these products are being made to customers. SEJ plans to expand product categories and lineups in the future.

※The Healthy Japan 21 (Secondary) guideline for vegetable consumption is an average of 350 g per day.



Development of Health Food Products through the Supply Chain

Seven & i Holdings manufactures its Seven Premium private-brand products using an integrated system from raw material procurement through to product development and quality control.

In development of Seven Premium products, the optimal supplier and Group product development division form a team for the product, and specialists from both sides contribute their information and expertise in a process called “team merchandizing.” The teams include suppliers who have nutrition and health experts or R&D centers of their own. We have established seven key points for development of Seven Premium products. One of them is “health conscious,” and accordingly, we are developing products that support healthy lifestyles for our customers.

Seven Premium Points of Seven Premium

1. Safe and reliable	Manufactured in hygienic factories using rigorously selected materials.
2. Delicious	Tastes that will appeal to everyone.
3. Regional flavors	The taste of home cannot be beaten.
4. Cutting-edge technologies	Jointly developed with manufacturers using the latest technologies.
5. Universally designed	Labels and designs that are easy to read and understand.
6. Health conscious	Calorie counts are printed on the front of the products.
7. Reasonably priced	Provided at reasonable everyday prices.

List of Health Food Products



“Seven Premium Sonomama Nomeru Tansansui Plus 490 ml”

Food for specified health use containing 5 g indigestible dextrin (as dietary fiber)

Labeling of Nutritional Components and Allergy Information

Seven and i Holdings strives to provide proper labeling of nutritional components for its private brand Seven Premium. In addition to displaying nutritional components* such as energy, protein, fat, carbohydrates, and salt equivalents, for certain products we also display components such as saturated fatty acids, trans fatty acid, and cholesterol. Calorie counts are printed on the front of most products to make it easier for customers to find when selecting a product.

The Seven & i Group strives to provide customers with clear product labelling so that people with allergies are also able to select products with confidence. Both products purchased from suppliers and products prepared in-store are labeled for allergen content, and the labels list allergens mandated under the Food Sanitation Act as well as items that are recommended for labeling.

For example, information on use of specified ingredients and equivalent items in products prepared in-store at 7-Eleven (hot snacks, oden, Chinese steamed buns) and in menu items at Denny's restaurants is provided on our website. In addition, we revised Denny's restaurant menus in September 2017 to provide allergy information (use of seven designated ingredients) in all menu books used in each time slot. Furthermore, in addition to posting information on our website, in July 2017 we placed tablets in all restaurants so customers can conduct searches regarding allergens (specified ingredients and equivalent items) in each menu item. These tablets are easy to use and enable customers to check detailed information when ordering.

* Excluding certain items for discretionary labeling that have small surface area.



Nutritional content: Per slice	
Energy:	170 kcal
Protein:	5.9 g
Fat:	2.7 g
Saturated fatty acids:	0.7 g
– Trans fatty acids:	0 g
– Cholesterol:	0 mg
Carbohydrates:	30.5 g
Sodium chloride equivalent:	0.9 g

* These values are approximate.
Per 100 g of sodium chloride, amounts less than 0.1 g of saturated fatty acid, less than 0.3 g of trans fatty acid, and less than 5 mg of cholesterol are presented as 0 g.

Nutritional labeling for "Seven Premium Seven Bread (Six slices)"

> [For more details about SEJ's initiatives \(in Japanese\)](#)

> [For more details about Denny's initiatives \(in Japanese\)](#)

Sales of Products with Food Allergy Considerations

Ito-Yokado created “food allergy response product” zones in 66 stores (as of February 28, 2018) so that customers with food allergies can eat products with confidence. In addition, parts of processed food sale areas have been transformed into “Health Roads” with low-sugar and gluten-free products, health-related products, and allergen-free products at 13 stores (as of April 30, 2018).

Cakes without designated ingredients include the “Healthy Fruitcake” available as a birthday cake and a rice flour and soy bean cream cake available at Christmastime by reservation.

[> For more details about IY’s initiatives \(in Japanese\)](#)



The “Health Road” is an area for low-sugar and gluten-free products



A Healthy Fruitcake

At the Denny’s restaurant chain managed by Seven & i Food Systems, there is a low-allergen menu for children that does not include any of the seven specified allergens (eggs, milk, wheat, buckwheat, peanuts, shrimp, and crab), created out of consideration for children who have food allergies. When the meals are prepared at the restaurants, employees cook and arrange the food in an area separate from the regular cooking line, and the tableware is individually washed and stored to prevent secondary contamination by allergens.

Denny’s restaurants have introduced tablets that customer can use to search information on the use of designated ingredients and equivalent items, and all menus used in each time slot contain information on the use of allergens (seven designated ingredients).

[> For more details about Denny’s initiatives \(in Japanese\)](#)



Low allergen menu

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Communication with Customers

The Seven & i Group quickly responds to comments and requests provided by email or phone through customer consultation desks set up at each Group company in order to improve products and services from the customer's perspective. Given the need to protect privacy in connection with feedback received from customers, all personal information is deleted, and the feedback is then categorized by content and communicated to departments and stores for use in making improvements.

> [Information on customer feedback at 7-Eleven stores can be found here \(in Japanese\)](#) 

> [Information on customer feedback at IY stores can be found here \(in Japanese\)](#) 

Enhancing Customer Service Quality

Seven & i Holdings holds a monthly information and liaison meeting of the Seven & i Group's customer consultation desks, which is attended by customer service desk supervisors at each Group company, in order to reduce the factors that cause customer dissatisfaction and raise satisfaction levels throughout the Group, not just at individual Group companies. Measures taken in response to comments and requests received from customers are shared on a regular basis and the information is incorporated into products and services. Annual training is also held for customer consultation desk personnel at each Group company with a view to further refining customer service skills.



Customer consultation desk personnel training

Collecting Customer Feedback

Seven & i Holdings collects feedback from customers who visit its stores on customer service, sales floor setup, product lineups, and other aspects of operations in order to further improve its products and services.

For example, at SEJ, a questionnaire is conducted every two years of 10,000 people to ascertain the needs of customers nationwide. In addition, at IY, store surveys are contracted to external agencies certified as consumer affairs advisors to collect feedback from store customers. Based on the results of the surveys, Group companies work to develop products that incorporate the evaluations and opinions of customers.

Product Development Using a Website

For its Seven Premium private-brand products, the Group launched "Seven Premium Enhancement Committee"—a website community for product development that invites participation by customers in 2009. The website features users' evaluations of individual products and original recipes using Seven Premium products. We also use the website to call for participants in product monitor surveys. The information gathered from the website enables us to analyze the ways and scenarios in which customers use our products, and is reflected in product development.

> [For more details about Seven Premium Life Enhancement Committee \(in Japanese\)](#) 

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Information Security and Personal Information Protection

Seven & i Holdings positions the appropriate protection and security of information assets handled by the Group as an important priority and social responsibility of its management and operations and as mandatory for all executives and employees. We strictly manage personal information received from customers in particular and take special care to prevent information leaks and other such incidents.

Development of Information Security Management System

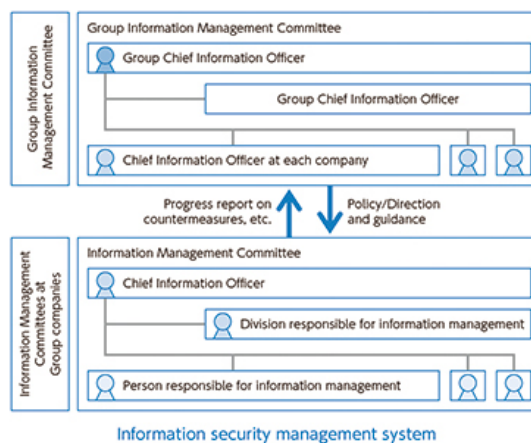
Seven & i Holdings anticipates that points of contact with customers will further increase through our Omni-Channel Strategy. In light of this, just as with food safety, initiatives to ensure the safety and security of information assets themselves constitute the foundation that will support the strategy. Seven & i Holdings has established the Basic Policy on Information Security and Basic Policy on Protection of Personal Information to promote the appropriate protection and use of customer information (personal information) acquired through Omni-Channel initiatives and further promote safe and secure business operations, and we have obtained ISMS certification (ISO 27001) for information security management systems. Through the implementation of a PDCA cycle for our ISMS we continue to develop a high-level information security system. We have also acquired the PCIDSS certification, which is a global security standard, in our Omni-Channel system. Our goal in this is to ensure the safe handling of particularly credit card information, business partners' information, and business partners.

Information security is also regarded as an important risk, and we have established the Information Management Committee to analyze, assess, and address this risk. We develop our management systems based on these activities. Specifically, we are working to strengthen our information management and security by establishing information security standards to be achieved by the Group and conducting development in accordance with the PDCA cycle method prescribed by ISMS certification at Group companies.

> [More details about our Basic Policy on Information Security can be found here](#)

> [More details about our Basic Policy on Personal Information Protection can be found here](#)

> [Further information about bases that have acquired ISMS certification and about PCIDSS certification acquisition can be found here \(in Japanese\)](#) 



Information security management system

Employee Training to Raise Awareness of Information Security and Cyber Security

Seven & i Holdings conducted information security training through e-learning and group training programs for all executives and employees of the Group companies in order to raise employee awareness of information security and cyber security. The fiscal year ended February 29, 2016 training was on the theme of internal fraud, and in the fiscal year ended February 28, 2017 it was focused on targeted cyberattacks. We also provide educational tools for use in morning meetings and departmental meetings to encourage education within departments. All employees at hiring and retirement sign a confidentiality pledge, which also raises awareness of information security. In the fiscal year ended February 28, 2017, there were no information security violations or other cyber security incidents.

In employee training through daily operations and regular meetings, all employees are told to promptly report, communicate, and consult about any problems that occur to the person responsible for information management of the respective division, and in e-learning and group training as well, employees are trained to immediately report suspicious occurrences. Reporting lines to upper management have been established depending on the severity of the occurrence. We have also created Reporting Guidelines for Significant Events, and when a significant event occurs that could potentially impact the entire Group, there is an internal reporting line depending on the severity level for reporting to upper management at the Group company where it occurred. There is also a reporting line for reporting the incident to the Information Management & Security Department and upper management of Seven & i Holdings. In creating these two reporting lines, we strive to ensure the accuracy of information conveyed and the promptness of our response.

Cyberattack Measures

Seven & i Holdings has established the 7&i Computer Security Incident Response Team (7&i CSIRT) to respond to external cyberattacks and minimize their impact and potential damage, particularly from a technical standpoint. The team conducts quick and appropriate containment and other measures in response to information security incidents in an organized manner.

In addition, when an information security incident is judged to be a major incident by the 7&i CSIRT (based on the extent of damage, etc.), a response system has been built for mobilizing the 7&i Security Incident Response Team (7&i SIRT) and to deciding on and carry out emergency response measures, standard response measures for system recovery, and externally directed actions, in particular, such how the incident is to be disclosed.

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Appropriate Disclosure of Information on Products and Services

Seven & i Holdings Corporate Action Guidelines stipulate that “We seek to display information that is accurate, easy to understand, and truthful so that customers can make an appropriate selection of products and services.” Moreover, each Group company will check the following information and strive to transmit this information to customers.

- Provide beneficial information to customers, taking the customer's perspective, even if the information is negative from the Company's perspective. (For example: Consumption of this produce may be hazardous for health, etc.)
- For information such as images and recordings distributed as commercials and advertisements, we will use appropriate expressions for the audience.
- We will provide information that meets or exceeds the legally mandatory level with regard to health, environment, and other sustainability aspects.

Establishment of Management System for Information Provided to Customers

The Seven & i Group verifies in advance that product and price information listed in advertising media, including newspaper inserts, pamphlets, and television commercials, is accurate and that they contain no information that might mislead customers.

For example, IY requires that prior approval be obtained from its Fair Trade Committee Office when listing dual prices with the sales price and a comparison price, or discounts, in newspaper inserts and other media.

Employee Training on Product Labeling

Seven & i Holdings conducts regular, group training twice a year based on laws governing labeling such as the Act against Unjustifiable Premiums and Food Labeling Act for newly assigned purchasing personnel at Group companies to provide basic knowledge on improper labeling and excessive gifts or giveaways prohibited under laws and regulations. In the fiscal year ended February 28, 2018, 238 employees at 14 companies underwent this training. In addition, e-learning is conducted for Group personnel involved in procurement.

In the fiscal year ended February 28, 2018, 10,333 employees from 26 companies underwent this training.



Group training on labeling

Prevention of Improper Labeling

Seven & i Holdings has established the “Group Discretionary Guideline on Imprecise Labeling,” on product labeling for the Group to prevent the use of expressions that could mislead customers. The guideline is thoroughly taught to and implemented by product development and quality control staff at each Group company. For example, the expression “permanent” is not used in principle as it is difficult to rationally present the permanent efficacy of a product in the future.

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Implementing Crime Prevention Measures for Local Communities

Seven & i Holdings cooperates in local crime prevention initiatives in line with the operational characteristics of each Group company to ensure that customers can use its facilities safely and with confidence.



Safety Station Activities

7-Eleven stores take advantage of the fact that they stay open 24 hours a day every day of the year to conduct Safety Station activities (SS activities). These involve looking out for the safety and security of the community through such activities as providing a place for women and children to seek assistance, protecting seniors, preventing robberies, shoplifting, and designated fraud, responding to accidents and disasters, and helping in the case of a sudden illness. 7-Eleven stores work to promote a healthier environment for young people by not selling alcohol and tobacco products to minors (those under the age of 20 years), for example, and SEJ also provides information to raise awareness of compliance and crime prevention at franchised stores through “SS Activity Notices” issued monthly.



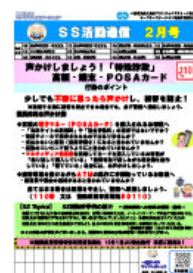
Activities are publicized using posters



Preventing the sale of alcohol and tobacco to minors

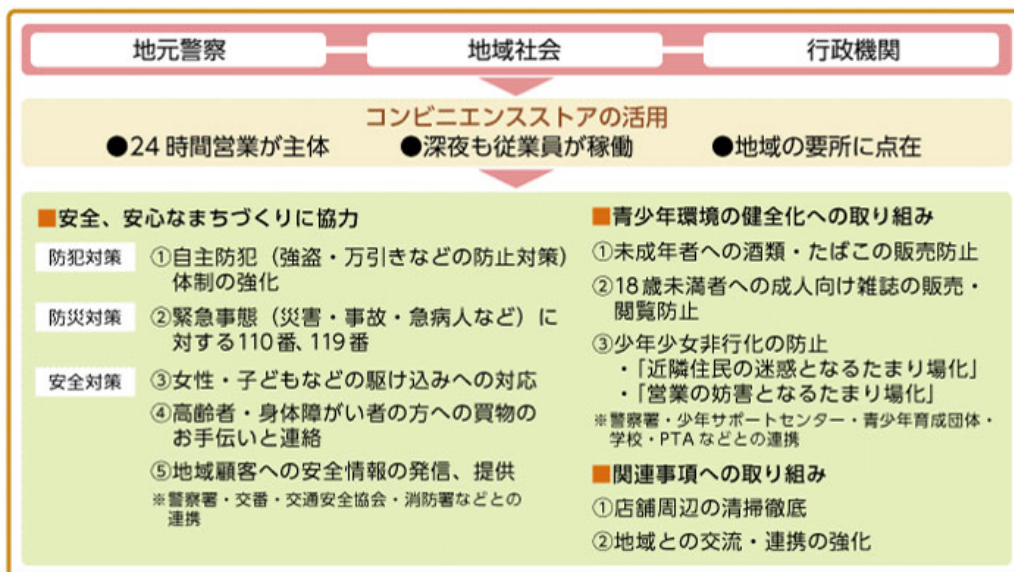


Preventing the sale of adult magazines to minors



An SS Activity Notice

セーフティステーション活動の概要



> [The "SS Space" on the Japan Franchise Association \(JFA\) website](#)

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Disaster Assistance

Seven & i Holdings strives to quickly reopen its establishments and keep them in operation even during disasters as a part of its mission to preserve community lifelines and fulfill its role as social infrastructure when disasters occur.



Swift Regional Relief Activities in Disasters and Local Awareness-Raising

The Seven & i Group stores strive to preserve community lifelines during disasters by working quickly to resume and continue operations, as well as providing swift regional relief during disasters along with tap water, restroom facilities, disaster information, and other necessities. For example, during the 2016 Kumamoto Earthquakes that occurred in April 2016, nearly all 7-Eleven stores stayed open, even when the power was out and water cut off, which was greatly appreciated by many customers. Head Office also provided support for stores in the form of product supplies and special assistance for staff members. In preparation for a wide range of situations, we work with the community to fulfill our role as important social infrastructure for daily living. In addition, Seven & i Holdings has been concluding agreements on assistance with relief provisions and support for evacuees during disasters with local governments, under which it provides material assistance in line with requests from local governments during disasters. All Group stores conduct fundraising activities to assist people affected by disasters and have launched free Wi-Fi service Seven Spot. In July 2017, three Group companies—Seven & i Holdings, SEJ, and IY—were designated as public institutions under the Basic Act on Disaster Control Measures.

As daily initiatives, the stores feature disaster preparedness sections and hold disaster preparedness events and so forth in a bid to raise customer awareness of disasters.

Cooperation with Local Government During Disasters

SEJ and Denny's, which is managed by Seven & i Food Systems, have registered stores and restaurants in prefectures with which agreements have been executed as Disaster Support Stations. In the event of a large-scale disaster, these sites will provide tap water, restroom facilities, and information to the extent possible to persons who are unable to return to their homes.



A Disaster Support Station sticker

Providing Means of Communication in Emergencies

Seven & i Holdings allows its free Wi-Fi service Seven Spot, located at approximately 20,000 Seven & i Group stores nationwide, to be used on a special basis during emergencies even by people who have not registered as members so that they can confirm the safety of friends and relatives and serve as a line of communication for those who are unable to return home. SEJ has also set up emergency phones that can be used free of charge (special public phones for use during disasters) at a portion of its stores within Tokyo's 23 wards.



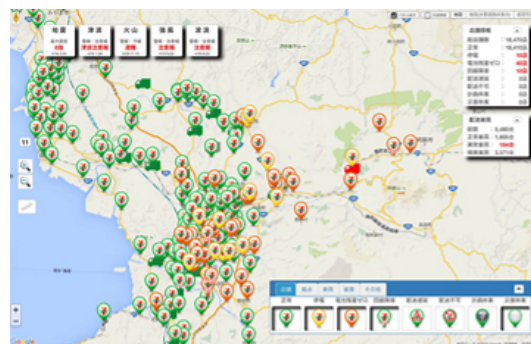
Emergency telephone



Free In-Store Wi-Fi Service Seven Spot

7VIEW: Seven Visual Information Emergency Web

Seven & i Holdings compiles a range of information within the Group but we have also joined with business partners to develop the 7VIEW*1 system for providing, sharing, and utilizing disaster information more broadly. The system automatically combines various information sources from external organizations such as the Japan Meteorological Agency and L-Alert*2, as well as Group companies, and layers them onto a map to enable a swift and accurate grasp of disaster conditions without placing a burden on disaster areas. We are continuing to develop the system by forming links between companies, as well as with the national and local governments and public research institutions, to help reestablish supply chains as quickly as possible.



7VIEW Screen

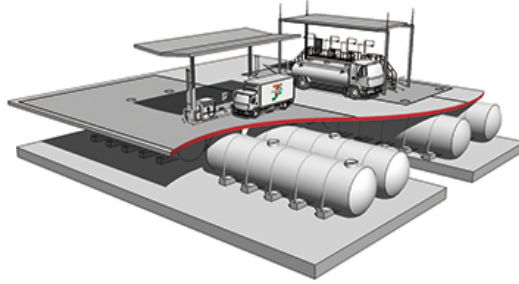
*1. Visual Information Emergency Web

*2. Disaster Information Sharing System

Fuel Depot for Delivery of Emergency Provisions

One of the important priorities of Seven & i Holdings in the area of business continuity in emergencies is maintaining fuel supply networks in the event of a major disaster. We have established a fuel depot at IY's distribution center in Saitama Prefecture that can be used by product delivery trucks to transport emergency provisions, a first for a Japanese retailer.

The depot maintains a permanent supply of 400 kiloliters of fuel, and when a disaster occurs it can be used to deliver emergency provisions and products for up to ten days to evacuation centers in affected regions and elsewhere and to Group stores and establishments in the Tokyo metropolitan area.



Fuel for vehicles is stored in underground tanks

Material Issue 2 Providing Safety and Reliability through Products and Stores

Disaster Reconstruction Support

The Great East Japan Earthquake of March 2011 inflicted enormous damage on Tohoku and surrounding regions. The Seven & i Group helps to support the reconstruction by working with employee volunteers and NPOs to conduct a variety of activities, including product sales, while leveraging its position as a retailer to connect consumers with producers.

Tohoku Kakehashi Project

The Seven & i Group has held the Tohoku Kakehashi Project in support of the reconstruction. Our goal is to serve as a bridge connecting the people of Tohoku with people around the country in their desire to support the reconstruction with the cooperation of Fukushima, Miyagi, Iwate, and other Tohoku Prefectures and various government agencies. In March 2018, there were 270 sponsor and participant companies and approximately 2,300 items, making the project over 10 times larger than when it first started.

Procuring local products from disaster-affected regions helps revitalize the agriculture and fishing industries. In addition, to keep affected regions fresh in the minds of people living outside of them, we purchase products from affected partner companies in Tohoku and the products of major food manufacturers produced in the region. We also hold sales events at approximately 400 stores in total, including IY and York-Benimaru.

Tohoku Kakehashi Project

	Launch	No. of co-sponsors and participating companies	No. of products
1st Round	November 7, 2011	22 Companies	Approx. 200
2nd Round	March 5, 2012	58 Companies	Approx. 600
3rd Round	July 17, 2012	81 Companies	Approx. 800
4th Round	November 19, 2012	109 Companies	Approx. 1,000
5th Round	March 4, 2012	123 Companies	Approx. 1,200
6th Round	July 9, 2013	160 Companies	Approx. 1,300
7th Round	October 9, 2013	188 Companies	Approx. 1,400
8th Round	March 4, 2014	219 Companies	Approx. 1,500
9th Round	July 14, 2014	239 Companies	Approx. 1,710
10th Round	October 6, 2014	247 Companies	Approx. 1,800
11th Round	March 2, 2015	250 Companies	Approx. 1,850
12th Round	July 14, 2015	257 Companies	Approx. 1,900
13th Round	October 5, 2015	259 Companies	Approx. 2,000
14th Round	March 7, 2016	267 Companies	Approx. 2,200
15th Round	July 12, 2016	260 Companies	Approx. 2,000
16th Round	October 17, 2016	270 Companies	Approx. 2,200
17th Round	March 6, 2017	270 Companies	Approx. 2,200
18th Round	October 16, 2017	270 Companies	Approx. 2,220
19th Round	March 5, 2018	270 Companies	Approx. 2,300



> [More details on the Tohoku Kakehashi Project can be found here \(in Japanese\)](#) 

Supporting PEP Kids Koriyama

At York-Benimaru, support is provided for PEP Kids Koriyama in Fukushima Prefecture, an indoor, active playground in the city of Koriyama founded on the concept of “Play, Learn and Grow,” which allows children with fewer opportunities to play outside due to the nuclear accident that occurred with the Great East Japan Earthquake to actively engage in exuberant, physical play.



PEP Kids Koriyama

> [An overview of PEP Kids Koriyama \(in Japanese\)](#) 

Sales of Wakame and Nori from Shichigahama in Miyagi Prefecture

Seven & i Food Systems conducts the Let’s Eat in Support of the Affected Areas Program at stores and the Head Office cafeteria, providing dishes made with wakame from Shichigahama in Miyagi Prefecture, which was affected by the Great East Japan Earthquake, and conducting sales of nori seaweed products. The sorting operation for this wakame and nori is conducted by employee volunteers from Group companies.



Volunteers preparing to sell Shichigahama wakame in the employee cafeteria

Participation in the Great East Japan Earthquake Reconstruction Project

In addition, Seven & i Holdings has participated in the Seven-Eleven Foundation's Great East Japan Earthquake Recovery Project since June 2011 and continues to support recovery and reconstruction in areas that were severely affected. Seven & i Group employees also participate each year in volunteer activities. For the 13th Great East Japan Earthquake Recovery Project held in September 2017, volunteers took part in a beach clean-up at Kukunaki Beach and participated in oyster cultivation work to support the fisheries industry in Karakuwa Sosei Village in Karakuwa Town, Kesenuma City.

[> For more details about the Great East Japan Earthquake Recovery Project of the Seven-Eleven Foundation \(in Japanese\)](#) 