

# SUSTAINABILITY DATA BOOK 2022

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## About the Sustainability Data Book

This report, the Sustainability Data Book 2022, takes a comprehensive look at the principal sustainability initiatives of Seven & i Holdings, the holding company, and its operating companies, focusing on the efforts of each Group company for material issues reviewed in 2022, as well as for activities of overseas operating companies. Reports on efforts of the Seven & i Group toward achievement of the Sustainable Development Goals (SDGs), adopted at a summit of the United Nations in 2015, are accompanied by the relevant SDG logo and icons.

### Period of the Report

This report covers our activities during the fiscal year ended February 28, 2022 (March 2021 to February 2022). Some of our activities in the fiscal year ending February 28, 2023 are also included.

### References

GRI Sustainability Reporting Standards  
SASB Standards  
ISO 26000

### Date of Issue

February 2023

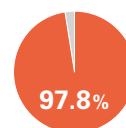
### Disclaimer

The data shown in this report are based on information as of the time of writing. Actual activities and results may differ depending on future social changes.

### Report Coverage

This report mainly covers the companies listed below.

Ratio of sales of companies covered by this report to the Group total sales



Seven & i Holdings Co., Ltd.  
Seven-Eleven Japan Co., Ltd.  
Ito-Yokado Co., Ltd.  
York-Benimaru Co., Ltd.  
York Co., Ltd.  
Sogo & Seibu Co., Ltd.  
Akachan Honpo Co., Ltd.  
Seven & i Food Systems Co., Ltd.  
Seven Bank, Ltd.  
7-Eleven, Inc.  
SEVEN-ELEVEN HAWAII, INC.  
SEVEN-ELEVEN(BEIJING) CO., LTD.,  
SEVEN-ELEVEN(CHENGDU) CO., LTD.  
SEVEN-ELEVEN(TIANJIN) Co., Ltd.  
Chengdu Ito-Yokado Co., Ltd.  
Hua Tang Yokado Commercial Co., Ltd.

# Basic Policies of Sustainability Initiatives

Seven & i Holdings conducts its business activities based on its corporate creed of aiming to be a sincere company trusted by all stakeholders. We have stated the actions for realizing that creed in our Corporate Action Guidelines.

The Corporate Action Guidelines present the basic attitudes adopted by all of the Group’s Directors, Audit & Supervisory Board Members, and employees. The Guidelines comprise the Basic Policy, which sets out the approach of the Group as a whole, and the Code of Corporate Conduct, which sets out rules for conduct.

Furthermore, each Group company has established detailed guidelines and conduct rules appropriate for its business format at the concrete action level and, together with the Guidelines, will keep all new recruits and newly appointed managerial employees fully informed through their training. In addition, the extent of understanding of the Corporate Creed and compliance awareness is regularly checked in the Employee Engagement Survey.



## Corporate Creed

- We aim to be a sincere company that our customers trust.
- We aim to be a sincere company that our business partners, shareholders and local communities trust.
- We aim to be a sincere company that our employees trust.

## The Basic Posture of Seven & i Holdings Employees

[Corporate Action Guidelines >](#)

Basic Policy	Code of Corporate Conduct
<ol style="list-style-type: none"><li>1. Provision of Safe and High-Quality Products and Services</li><li>2. Maintenance of Fair and Transparent Transactions</li><li>3. Cooperation with Local and International Communities</li><li>4. Respect for Human Rights</li><li>5. Respect for Diversity and Improvement of Job Satisfaction</li><li>6. Preservation of the Assets and Information of the Company</li><li>7. Contribution to a Sustainable Society</li><li>8. Dialogue with Stakeholders</li><li>9. Efforts Regarding Social Issues</li></ol>	<ol style="list-style-type: none"><li>1. Compliance (Legal Compliance)</li><li>2. Relationships with Customer</li><li>3. Relationships with Business Partners</li><li>4. Relationships with Shareholders and Investors</li><li>5. Relationships with Local and International Communities</li><li>6. Relationships between the Company, and Directors, Officers, and Employees</li><li>7. Preservation of Global Environment</li></ol>

## Policies for Each Measure

- [Seven & i Group Human Rights Policy](#)
- [Seven & i Group Business Partner Sustainable Action Guidelines](#)
- [“GREEN CHALLENGE 2050” Seven & i Group's Environmental Declaration](#)
- [Basic Policy Relating to Measures to Contribute to the Prevention of Global Warming](#)
- [Seven & i Group Sustainable Sourcing Principles and Policies](#)
- [Quality Policy](#)
- [Basic Policy on Social and Cultural Contribution, Social and Cultural Contribution Action Guidelines](#)

## Support for the United Nations Global Compact

Seven & i Holdings supports the 10 principles of the UN Global Compact, a worldwide framework for achieving sustainable growth, and carries out CSR activities through its core businesses to fulfill these principles.



[UN Global Compact](#)

## Addressing the Sustainable Development Goals (SDGs)

Seven & i Holdings is working to solve social issues through its business activities, with a view to achieving the Sustainable Development Goals\* adopted at a United Nations summit held in 2015.

\* The international community's shared goals for attaining the sustainable development of society, the economy, and the environment by 2030, in order to ensure all people enjoy peace and prosperity.



Sustainable Development Goals

# “GREEN CHALLENGE 2050”

## Seven & i Group's Environmental Declaration

### “GREEN CHALLENGE 2050”

Formulated May 2019

Partially revised December 2020

Partially revised May 2021

The Seven & i Group has strived to realize wealthy and convenient lives by responding to various changes in the social environment through the provision of products and services with value. At the same time, various environmental issues and social issues (e.g., external diseconomies) have come to the fore. Solutions to these issues are urgently needed for the sustainable development of society. With awareness of this current situation, our group will further promote a reduction of our environmental footprint across our entire store network and supply chain. All employees in our group are coming together as one to work on preserving the healthy global environment for future generations.

Vision	Theme	Targets for 2030	2050 Vision
Decarbonized society	Reduction of CO <sub>2</sub> emissions	Reduce emissions from group store operations by 50% (compared to FY2013).	Reduce emissions from group store operations to net-zero
		Reduce emissions across our entire supply chain (scope 3) in addition to our own emissions (scopes 1 + 2).	
Circular Economy	Measures against plastic	Containers used in our original products (including Seven Premium) to be made 50% with environmentally friendly materials (e.g., biomass, biodegradable and recycled materials and paper).	Containers used in our original products (including Seven Premium) to be made 100% with environmentally friendly materials (e.g., biomass, biodegradable and recycled materials and paper).
		Zero use of plastic-made shopping bags. Shopping bags to be made of sustainable natural materials (e.g., paper).	—
	Measures against food loss and for food recycling	Reduce food waste by 50% at the amount generated by unit (amount generated per million yen in sales) (compared to FY2013).	Reduce food waste by 75% at the amount generated by unit (amount generated per million yen in sales) (compared to FY2013)
		Increase food waste recycling rate to 70%.	Increase food waste recycling rate to 100%.
Society in harmony with nature	Sustainable procurement	50% of the raw food ingredients used in our original products (including Seven Premium) to be those that guarantee sustainability.	100% of the raw food ingredients used in our original products (including Seven Premium) to be those that guarantee sustainability.

\*We will review our targets in response to changes in the social environment.

## Identification of the Four Themes

### Awareness of the Current Situation

The Seven & i Group operates diverse distribution service business lines (e.g., convenience stores, supermarkets, department stores and specialty stores). We meet the daily living needs of our customers through these store networks. At the same time, we strive to provide the new value demanded by the times and society. This has allowed us to develop a store network with more than 22,700 stores in Japan. We have been able to grow into a company with 22 million customers visiting us a day. (These figures are current as of the end of February 2022.) As a result, the products and services we provide are enjoyed by many customers. On the other hand, this now has a considerable effect on the global environment.

As indicated by the Sustainable Development Goals (SDGs), the whole world is seriously seeking sustainable development. Against this backdrop, it is now essential we proactively reduce our environmental footprint so that our group can grow together with our customers and participate in development with society.

## Identification of Themes

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To that end, we first strived to more specifically express our efforts to reduce our environmental impact. We did this by identifying fields with a particularly high social effect in the environmental impact generated by our business activities. As a result, we recognize that there are four themes with a large social impact that are especially close to our business activities: CO<sub>2</sub> emissions generated by the use of the power necessary in our store operations (e.g., lighting, refrigeration and freezing); use of plastic (e.g., various products, shopping bags and packaging materials); food loss arising from the disposal of products; and product procurement with an impact on the environment and society in the raw material, processing and manufacturing processes.

## Target Value Setting

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We grasped the current situation for each of these themes to respond effectively to these challenges. We then specifically indicated our mission and responsibility in the near future of 2030 and in the next generation society of 2050 by setting targets quantitatively. We consider the stakeholders given in our corporate creed to be a sincere company that is trusted to also include the future generations. With this in mind, we would like to share our environmental goals “GREEN CHALLENGE 2050” with each generation in the future.

## All Employees Working Together As One






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First, all the employees in our group will share the purpose and targets of “GREEN CHALLENGE 2050”. We will then work to achieve this in our daily work. At the same time, it is also essential to respond to social diseconomies arising between companies in the process of distribution to achieve these targets. We will expand our close cooperation structure with our customers, local communities, business partners and all our other stakeholders through serious efforts with our whole group coming together as one. We will then promote innovation toward the creation of a sustainable society.

## Launch of Four Theme-based Innovation Teams

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We will work on new innovation under four themes: reduction of CO<sub>2</sub> emissions, measures against plastic, measures against food loss and for food recycling, and sustainable procurement. To that end, we will select leaders (executive officers and higher) from supervisory departments in each operating company to promote cross-group efforts to achieve our targets for 2030 and 2050.

- > [Efforts for reduction of CO<sub>2</sub> emissions](#) 
- > [Measures against plastic usage](#) 
- > [Efforts for effective use of plastics](#) 
- > [Measures against Food Loss / Waste and Measures for Organic Waste Recycling](#) 
- > [Efforts for sustainable procurement](#) 

# Stakeholder Engagement

Since its foundation, Seven & i Holdings has aimed to be a sincere company, trusted by all of its stakeholders, including customers, business partners, shareholders, local communities, and employees. We believe it is important to strive to understand the requirements and expectations that stakeholders have of Seven & i Holdings and the Group, and to respond to these.

For this reason, Seven & i Holdings and its Group companies will strive to respond quickly to feedback from our stakeholders-the opinions, desires, areas of dissatisfaction, requests, and so forth, that we receive through our dialogue with them. We will reflect this feedback in our management decision making process and business activities.

## Seven & i Holdings' Stakeholders

Engagement with Stakeholders		Main Engagement Methods	Main Response Policy
<b>Customers</b>	We constantly think of things from the customer's point of view, and to earn our customers' trust we value communication, and will continue to respond to their feedback.	<ul style="list-style-type: none"> <li>• Daily operations</li> <li>• Inquiries to the customer feedback department</li> <li>• Customer questionnaires</li> <li>• Website community that invites customers to participate</li> </ul>	<ul style="list-style-type: none"> <li>• Provide products and services that enrich customers' lives</li> <li>• Improve products and services and ensure safety</li> <li>• Label accurately in an easily understandable manner</li> <li>• Manage personal information appropriately</li> <li>• Promote universal design</li> </ul>
<b>Business Partners</b>	Our products and services could not be supplied without the cooperation of our business partners. We will rigorously observe laws and regulations and internal rules relating to fair trade as well as build relationships of trust with business partners to ensure maintenance of safety and security and accounting for human rights and the environment. We will work together with them to carry out our social responsibilities.	<ul style="list-style-type: none"> <li>• Product development meetings</li> <li>• Quality improvement meetings</li> <li>• Informal gatherings with business partners</li> <li>• CSR audits of business partners</li> <li>• Business Partner Help Line</li> <li>• Business partner questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>• Development of products and services through team merchandising</li> <li>• Rigorous fair trade practices</li> <li>• Compliance with laws and regulations through the supply chain and consideration for human rights and the environment</li> </ul>

Engagement with Stakeholders		Main Engagement Methods	Main Response Policy
<b>Shareholders and Investors</b>	Our operations are underpinned by the investments of our shareholders and investors. To respond to their trust, we emphasize highly transparent management and communication and fulfill our duty of accountability through disclosure.	<ul style="list-style-type: none"> <li>● General Shareholders' Meeting</li> <li>● Financial results presentations</li> <li>● Meetings with investors</li> <li>● Information website for investors and organization newsletter</li> </ul>	<ul style="list-style-type: none"> <li>● Maximization of shareholder value and return profits</li> <li>● Proper accounting procedures and timely disclosure of information</li> <li>● Highly transparent management</li> <li>● Accountability toward beneficiaries</li> </ul>
<b>Local Communities</b>	We aim to play an indispensable role in our local communities. To this end, by providing products and services matching the lifestyles in local communities, encouraging local production and local consumption and coexisting with communities, we will promote activities that contribute to community development.	<ul style="list-style-type: none"> <li>● Regional Comprehensive Economic Partnerships with local governments</li> <li>● Participation in community activities</li> <li>● Dialogue through industry groups</li> </ul>	<ul style="list-style-type: none"> <li>● Provision of products and services matching regional characteristics</li> <li>● Consideration for living environments in regional areas</li> <li>● Contribution to regional development</li> <li>● Resolution of social issues in collaboration with NGOs, NPOs, and others</li> <li>● Safe and reliable urban development in collaboration with administrative authorities</li> <li>● Support for local production and local consumption, dietary education, child-raising, the elderly, and people with disabilities</li> <li>● Provision of products after the occurrence of natural disasters and support for affected areas</li> <li>● Participation in volunteer activities</li> </ul>

Engagement with Stakeholders		Main Engagement Methods	Main Response Policy
<b>Franchise Store Owners</b>	Seven-Eleven Japan (SEJ) believes that relationships of trust with owners of franchise stores are the core of its business, and these relationships should be mutually beneficial. Through dialogue with Operations Field Consultants (OFCs) we build good relationships based on strong mutual trust and contribute to realizing comfortable and more prosperous lives for customers.	<ul style="list-style-type: none"> <li>Regular OFC visits to stores</li> <li>Product exhibitions</li> <li>Training and workshops by region</li> <li>Owners' organization newsletter</li> <li>Owners' opinion exchange meeting</li> <li>Owner consultation desk</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of management structure</li> <li>Strengthening of store operation capabilities</li> <li>Strengthening of partnerships</li> <li>Construction and ongoing improvement of a highly competitive franchise system</li> </ul>
<b>Employees</b>	We aim to realize workplaces where employees can participate actively and find satisfaction in their work. To this end, we will create working environments that are fair, just, and considerate of human rights. We will also create environments that protect privacy and safety, while helping workers to develop their capabilities and facilitate their work./td>	<ul style="list-style-type: none"> <li>Management policy briefings</li> <li>Employee opinion survey</li> <li>Employee training</li> <li>Self-check systems and individual meetings</li> <li>Internal portal website and Group newsletter</li> <li>Employee Help Line</li> </ul>	<ul style="list-style-type: none"> <li>Respect for human rights, diversity, and individuality</li> <li>Creation of discrimination-free workplaces that consider human rights</li> <li>Utilization of diverse human resources</li> <li>Occupational health and safety and prevention of workplace accidents</li> <li>Achievement of work-life balance</li> <li>Preventative care for mental health</li> <li>Promotion of employee health</li> <li>Transparent and fair evaluations</li> <li>Respect for rights, such as the right for employees to engage in collective bargaining</li> <li>Support for development of employee abilities</li> </ul>

Engagement with Stakeholders		Main Engagement Methods	Main Response Policy
<b>Global Environment</b>	Our business is dependent on the blessings of the earth's environment. Therefore, we will provide products and services taking into account the sustainability of the environment, while cooperating with customers, business partners, and employees to reduce the environmental impact throughout the entire supply chain.	<ul style="list-style-type: none"> <li>● Inquiries to the customer feedback department</li> <li>● Dialogue with product and packaging materials suppliers</li> <li>● Dialogue with national and local governments, NPOs, and NGOs, and residents of store neighborhoods</li> <li>● Dialogue with equipment and maintenance companies</li> <li>● Waste disposal companies</li> </ul>	<ul style="list-style-type: none"> <li>● Reduced CO<sub>2</sub> emissions</li> <li>● Reduced energy consumption</li> <li>● Environmental awareness among employees</li> <li>● Compliance with environmental legislation</li> <li>● Installation of energy saving and environmentally friendly equipment</li> <li>● Water-saving measures</li> <li>● Reduction of waste and promotion of recycling</li> <li>● Reduction of packaging materials</li> <li>● Preservation of biodiversity</li> <li>● Environmentally considerate products and services</li> </ul>

# Corporate Governance

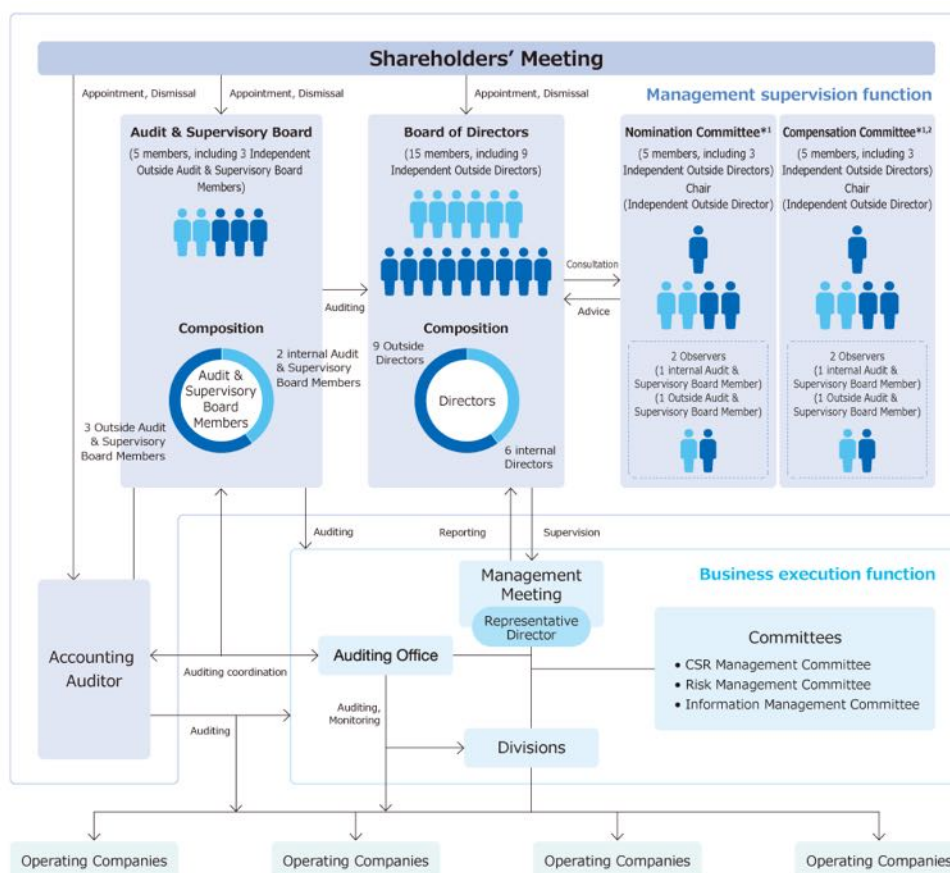
Seven & i Holdings' mission is to strengthen corporate governance and maximize the Group's corporate value as a holding company that supervises the operating companies under its umbrella.

## Basic Views on Corporate Governance

Seven & i Holdings considers corporate governance to be a system for sustainable growth by establishing and maintaining a sincere management structure and continuously increasing the Group's corporate value over the medium and long term in both financial and non-financial (ESG) aspects to ensure the trust and longstanding patronage of all stakeholders, including customers, business partners and franchisees, shareholders and investors, local communities, and employees, based on the Corporate Creed. Seven & i Holdings' mission as a holding company is to strengthen corporate governance and maximize the Group's corporate value, and Seven & i Holdings will strive to achieve this mission through the provision of support, oversight, and optimal resource allocation to its operating companies.

Seven & i Holdings ensures the effectiveness of its corporate governance by coordinating "audits" conducted by the Audit & Supervisory Board Members (Audit & Supervisory Board), including multiple Outside Audit & Supervisory Board Members who maintain their independence and have specialized knowledge in such areas as legal affairs and financial accounting, through their actively cooperating with the accounting auditor and the internal audit division, and "formulation of management strategies" and "supervision of business execution" conducted by the Board of Directors, including multiple Outside Directors who maintain their independence and have advanced management knowledge and experience. Seven & i Holdings has adopted this corporate governance structure because it judges the structure to be workable for realizing and ensuring Seven & i Holdings' corporate governance and for conducting appropriate and efficient corporate management.

**Seven & i Holdings Corporate Governance System (as of December 1, 2022)**



\*1 The chair and committee members are selected by the Board of Directors, and the observers are selected through discussion among Audit & Supervisory Board Members.  
\*2 Internal committee members are selected from Directors other than Representative Directors.

[Details about corporate governance can be found here >](#)

# Compliance

Seven & i Holdings places absolute priority on compliance with laws and regulations and social norms. We also strive to ensure that its corporate governance is functioning soundly and secured by management.

## Seven & i Holdings Corporate Action Guidelines

The Seven & i Holdings Corporate Action Guidelines present the behavior that each employee should practice in order to realize the spirit of "trust and sincerity" expressed in the Group's corporate creed. The guidelines call for employees to comply with laws, regulations, and social norms, to uphold laws and regulations such as the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade as well as internal rules, conduct business under appropriate conditions in line with sound trading practices, and not to have any contact with antisocial groups.

[Details of the Seven & i Holdings Corporate Action Guidelines can be found here >](#)

Basic Policy	Code of Corporate Conduct
<div>1. Provision of Safe and High-Quality Products and Services</div> <div>2. Maintenance of Fair and Transparent Transactions</div> <div>3. Cooperation with Local and International Communities</div> <div>4. Respect for Human Rights</div> <div>5. Respect for Diversity and Improvement of Job Satisfaction</div> <div>6. Preservation of the Assets and Information of the Company</div> <div>7. Contribution to a Sustainable Society</div> <div>8. Dialogue with Stakeholders</div> <div>9. Efforts Regarding Social Issues</div>	<div>1. Compliance (Legal Compliance)</div> <div>2. Relationships with Customers</div> <div>3. Relationships with Business Partners</div> <div>4. Relationships with Shareholders and Investors</div> <div>5. Relationships with Local and International Communities</div> <div>6. Relationships between the Company, and Directors, Officers, and Employees</div> <div>7. Preservation of Global Environment</div>

## Compliance System

Seven & i Holdings has a CSR Management Committee, chaired by the President, and four subcommittees - Compliance Subcommittee, the Corporate Ethics and Culture Subcommittee, Supply chain Subcommittee, and the Environment Subcommittee. These subcommittees work together with each Group company to promote the Seven & i Holdings Corporate Action Guidelines and to rigorously enforce compliance.



## Internal Whistleblowing System

Seven & i Holdings has set up the Groupwide Employee Helpline, the Business Partner Helpline, and the Audit & Supervisory Board Hotline to prevent conduct that could result in loss of public credibility and to ensure early detection, early remediation, and recurrence prevention. The Groupwide Employee Helpline is for receiving reports from employees of operating companies in Japan, the Audit & Supervisory Board Hotline is for reports related to management, and the Business Partner Helpline is for reports from business partners.

The three internal reporting systems have a consultation desk operated by a third party under a service contract and a non-disclosure agreement to protect the privacy of people consulting or whistleblowing, and ensure that the content of their reports is not disclosed publicly or leaked. The consultation desk accepts reports via email, telephone, or post. (Reports via telephone are only accepted during service hours.)

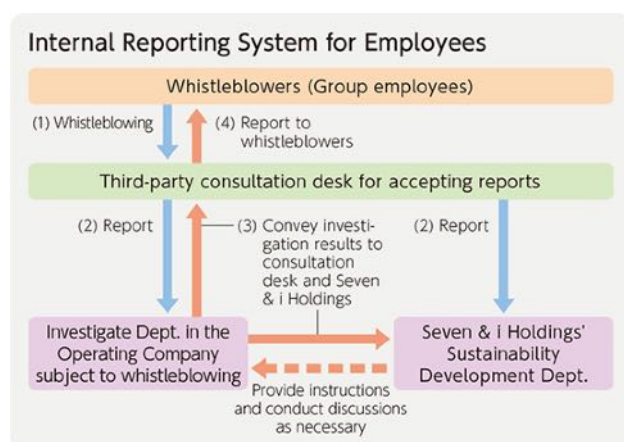
Once a whistleblowing is received, the company subject to the whistleblowing quickly confirms the facts, corrects any violations that are found, and strives to prevent a recurrence. To create an environment that facilitates reporting, reports can be made anonymously, and our operating regulations stipulate that whistleblowers are not to be subjected to disadvantageous treatment for having made a report. The person is contacted at the end of the month following notification of completion of the case by the third-party consultation desk to check that they have not suffered retaliation or disadvantageous treatment.

Seven & i Holdings' Sustainability Development Department keeps track of the number and nature of the reports for each Group company, as well as the status of responses, to ensure that the actions taken by the operating companies are appropriate. In the event of a serious violation or other such incident, a report will be provided immediately to the Representative Director, responses will be discussed with the relevant divisions and companies, and the necessary response measures will be taken. In addition, the CSR Department reports on the operational status of the internal reporting system to Seven & i Holdings' Board of Directors.

### Groupwide Employee Helpline (Internal Whistleblowing System for Employees)

The Groupwide Employee Helpline can be used by Group employees, Directors and Audit & Supervisory Board Members, and retirees and their families. To ensure that all employees are aware of the system and its contact points, it is explained in employee training and on the intranet, and posters are put up in every workplace and store. Additionally, employees' awareness of the Groupwide Employee Helpline is surveyed as part of the Employee Engagement Survey administered once every two years.

### Procedural Flow for the Groupwide Employee Helpline



### Number of reports for the fiscal year ended February 28, 2022



※Some Group operating companies have their own internal whistleblowing system in addition to the Groupwide Employee Helpline in which a third party receives reports. Moreover, operating companies in North America and China also have their own internal reporting systems to receive reports and consultations from employees.

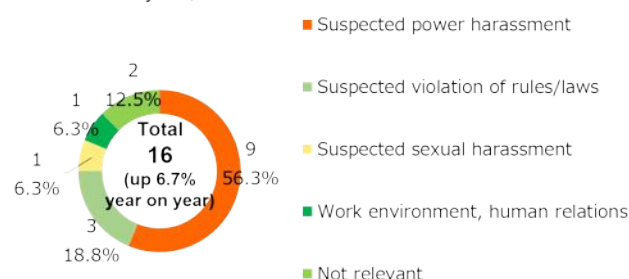
## Audit & Supervisory Board Hotline (Internal Whistleblowing System for Matters Related to the Group Executives and the Members of Management)

The Audit & Supervisory Board Hotline has been in operation since February 2019 for the purpose of receiving reports independent of management related to actions that could potentially result in the loss of social trust in which the directors, members of the Audit & Supervisory Board, executive officers, and other members of management for Group companies in Japan are suspected of being involved, and investigating them. When the Company receives a report, it quickly confirms the facts, and the members of the Seven & i Holdings Audit & Supervisory Board work together with the members of operating company Audit & Supervisory Boards to correct any violations that are found and strive to prevent a recurrence.

### Procedural Flow for the Audit & Supervisory Board Hotline



Number of reports for the fiscal year ended February 28, 2022



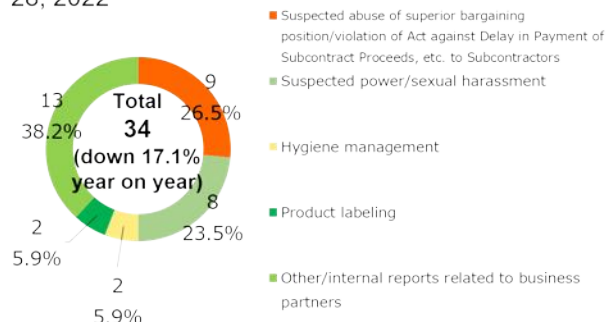
## Business Partner Helpline (Internal Whistleblowing System for Subcontractors)

The Business Partner Helpline can be used by Directors and Audit & Supervisory Board Members, employees, and former employees of domestic Group companies' business partners. To ensure that business partners are fully aware of the helpline system and its points of contact, we explain it at briefings for business partners and distribute information in pamphlets.

### Procedural Flow for the Business Partner Helpline



Number of reports for the fiscal year ended February 28, 2022



## Compliance Education and Training of Employees

Seven & i Holdings and Group companies endeavor to promote and foster understanding of the Seven & i Holdings Corporate Action Guidelines among all employees. To this end they have prepared specific guidance for employees on how to put the guidelines into practice in line with the business characteristics of each company. In addition, when undertaking tier-specific group training for organizational levels ranging from new recruits to management, Seven & i Holdings provides training based on the themes of the Seven & i Holdings Corporate Action Guidelines and compliance. From the fiscal year ended February 29, 2016, compliance seminars have been held every year for executives, beginning with the presidents of Seven & i Holdings and each Group company. In addition, starting in the fiscal year ended February 28, 2017, training via e-learning (some employees viewed DVDs) has been periodically undertaken for Group employees in Japan. In the fiscal year ended February 28, 2022, 2,818 employees took the training.



## Compliance Awareness Survey

Seven & i Holdings prepares questions related to compliance and periodically conducts the Employee Engagement Survey, an anonymous biennial survey designed to gauge the extent of understanding of the Corporate Creed and compliance awareness among employees. The survey includes questions that measure job satisfaction and the degree of acceptance of performance reviews. Groupwide initiatives are implemented to address common issues across the Group that have been identified by the survey results. Along with this, Group companies devise measures to tackle the issues faced by each company and strive to make improvements accordingly.

[For more details of the Employee Engagement Survey >](#)

## Anti-corruption

Seven & i Holdings is a signatory to "the UN Global Compact." Based on the spirit of "Trust and Sincerity" set forth in the Corporate Creed, the Seven & i Holdings is working on anti-corruption, including extortion and bribery, in compliance with the laws and regulations of the regions in which it operates.

The Seven & i Holdings Corporate Action Guidelines states, "We conduct transactions based on appropriate conditions by following sound business practices. No transactions should be made for personal gain or benefit." We prohibit the provision of gifts, entertainment, and financial benefits to public officials or persons equivalent thereto in Japan and overseas. We also prohibit the receipt of private benefits from business partners, and do not engage in any form of corruption or fraud, including bribery, illegal political contributions, money laundering, and embezzlement. As a member of the international community, we pay close attention to countries, regions, organizations, and individuals subject to international economic and trade sanctions. Each the Seven & i Group company has provided specific guidance for implementing the Seven & i Holdings Corporate Action Guidelines in accordance with its business characteristics and educates its employees.

The Seven & i Group reports any suspected violation of compliance, including corruption, to its superiors, and accepts reports from employees through the Groupwide Employee Helpline, an internal reporting system, and from business partners through the Business Partner Helpline. If a serious violation occurs, we report it to the Board of Directors and take disciplinary action in accordance with internal regulations. The status of compliance with the Corporate Action Guidelines is confirmed in the "Employee Engagement Survey" which is held every two years, and the "Business Partner Questionnaires" which are held every year.

In addition, we ask our suppliers to prevent corruption and conduct fair transactions in the "Seven & i Group Business

Partner Sustainable Action Guidelines". We disseminate the guidelines at supplier briefings and confirm the progress of the guidelines through self-check sheets. In China and Southeast Asia, where CSR risks are high, we also conduct compliance training for suppliers of outsourced manufacturing of private-brand products.

[Seven & i Holdings Corporate Action Guidelines can be found here >](#)

[Seven & i Group Business Partner Sustainable Action Guidelines can be found here >](#)

## System for Prevention of Noncompliance Regarding Business Practices

Seven & i Holdings, in its Compliance Subcommittee, is working to prevent violations by sharing information on the latest laws and regulations concerning business practices and measures to address cases of unfair business practices that have occurred at Group companies or other companies in the industry.

If a case of an unfair business practice occurs, or is suspected, the FT Information Sharing Committee and the Sustainability Development Department work together to check the facts with the department and business partners concerned. If any issues are found to exist, they are dealt with appropriately according to administrative guidance.

## Prevention of Noncompliance at Group Companies

Each Group company has a division to rigorously ensure fair trading practices, such as the FT Committee headed by the company president. These divisions are responsible for training the personnel responsible for procurement as regards the laws and regulations related to contracts, such as the Antimonopoly Act and the Subcontract Act. The status of legal compliance at each Group company is confirmed through a monitoring survey of each Group company conducted by the FT Information Sharing Committee.

## Prevention of Noncompliance Regarding Business Partners

In the final stage of negotiations with each business partner, to ensure there are no later disagreements between the personnel in charge of purchasing at each company and the representative of the business partner, the matters determined as a result of their discussions are recorded in a standardized format, with each party retaining a copy.

Moreover, the Seven & i Group conducts individual employee interviews led by the employee's supervisor once every six months. At the individual interviews of personnel in charge of purchasing, their compliance with fair business practices is evaluated and reflected in their compensation package. From the fiscal year ended February 28, 2017, the Seven & i Group has conducted questionnaire surveys of business partners to confirm whether the speech and behavior of employees toward business partners follow the Seven & i Holdings Corporate Action Guidelines. In these surveys, business partners reply to questions anonymously. In the fiscal year ended February 28, 2020, a total of approximately 8,800 representatives of business partners responded to questionnaire surveys issued by Group companies.



## Protecting Personal Information and Appropriately Securing the Safety of Information Assets

Seven & i Holdings aims to be a sincere company that is trusted by its stakeholders, and it positions the safeguarding of personal information and 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. Our company has established the Personal Information Protection Policy and the Basic Policy on Information Security, and it has made it mandatory for all employees to comply with relevant laws and regulations such as the Act on the Protection of Personal Information and internal rules to ensure appropriate business execution through the protection of personal information and the use of information assets.

[Information Security and Personal Information Protection can be found here >](#)

[Personal Information Protection Policy can be found here >](#)

[Basic Policy on Information Security can be found here >](#)

## Tax-Related Policies

Based on the Seven & i Holdings Global Tax Policy, Seven & i Holdings has a tax strategy that corresponds with its management strategies, and carries out uniform Companywide tax management.

### Seven & i Holdings Global Tax Policy

Seven & i Holdings has a basic policy of establishing high-quality corporate governance systems at the Company and its Group companies, including overseas subsidiaries. The systems are designed to ensure sound, sustainable growth and to uphold public trust. To provide appropriate countermeasures for tax-related risks, including changes in the tax governance environment in Japan and overseas, reputational risk, brand value degradation, and corporate social responsibility, we have a tax strategy that corresponds with our management strategies, and we will carry out uniform Companywide tax management.

In line with the above, Seven & i Holdings has adopted the following global tax policy.

#### 1. Legal Compliance

Seven & i Holdings and its Group companies, including overseas subsidiaries, always comply with the taxation laws in the countries where they operate. Moreover, they also respect the intention of such laws by paying taxes appropriately as a way of contributing to the economic development of the countries.

To ensure that our compliance with tax-related laws and our tax management are appropriate, we follow the guidelines for developing internal controls for financial reporting to build and develop internal control systems that ensure appropriate accounting procedures and financial reporting. We also operate these systems appropriately and have inside and Outside Audit & Supervisory Board Members check and assess the effectiveness of the controls.

#### 2. Ensure Transparency

Seven & i Holdings and its Group companies, including overseas subsidiaries, provide timely and appropriate disclosure of management data and tax payment status in accordance with the laws of each country where they have operations. Moreover, the Company and its Group companies, including overseas subsidiaries, do not engage in tax avoidance practices (tax havens), which are excessive tax-saving activities such as transferring value to low-tax countries, and transactions between operating companies are conducted according to the arm's length principle.

### 3. Relationship with Tax Authorities

Seven & i Holdings and its Group companies, including overseas subsidiaries, strive to ensure transparency and reliability with regard to their tax obligations by responding in good faith to the tax authorities in the countries where they operate and international tax authorities.



## Tax-Related Risks

Seven & i Holdings has evaluated the impact of tax obligation risks on future value creation. As a result, we recognize the risk from changes in accounting standards and tax systems, such as transfer pricing taxation as a financial risk, and the risk associated with M&A and business reorganizations as a business risk.

### Financial Risks

The Group could encounter unforeseen introductions of new accounting standards or taxation systems, or changes to existing systems, which could affect its business performance or financial position.

### Business Risks

The Group develops new businesses and reorganizes its Group businesses through M&As, business alliances with other companies, establishment of joint ventures, and so forth. However, if the Group's strategic investments do not achieve the initially anticipated effect and cannot meet their targets, its business performance and financial position could be affected.

## Tax-Related Reports

Our Group is expanding new businesses and restructuring Group businesses through M&As, business tie-ups with other companies, the establishment of merged companies, and so on. However, if we are unable to attain the effects we originally hoped for from strategic investments and are unable to accomplish their objectives, there is a chance that this will have a negative effect on our Group's business results and financial situation.



### Tax payment amount by country or region for the fiscal year ended February 28, 2022 (Millions of yen)

	Japan	US	Canada	China
Revenues from operations	3,468,840	4,894,211	275,841	110,692
Income before income taxes	185,892	124,550	307	935
Corporation tax	62,275	3,870	30	689
Tax payment	62,435	4,608	49	292

# 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. Seven & i Holdings and Group companies protect customer information and other information assets possessed by the Group from various threats, including illegal access and cyberattacks. The Group as a whole recognizes that ensuring information security is an important issue in terms of both management and business. Seven & i Group has built information security management and personal information protection systems so that all executives and employees and all parties, including contractors, involved in our operations handle information assets appropriately and use them properly. These systems are disseminated to all executives and employees through education and training. In addition, we have established a management system that responds to changes in the environment related to social demands, compliance, and information security. We endeavor to appropriately manage and protect personal information and corporate information and are making continuous improvements.

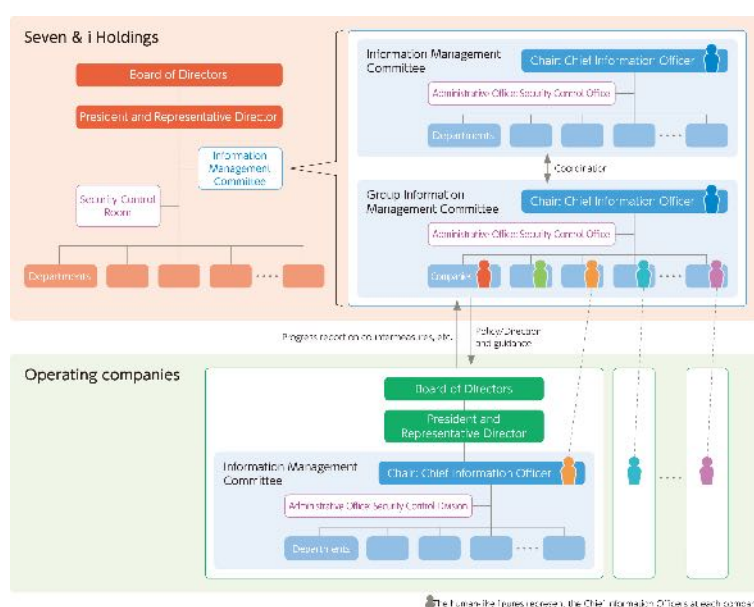
## Development of Information Security Management System

Seven & i Holdings has established the Security Management Office under the direct control of the representative director as an organization that oversees information security for the entire group. The office prepares and disseminates to all group companies policies, attached rules, guidelines, and other documents related to information security and personal information protection. The office also supports Group companies in establishing information security management systems (ISMS), training security personnel, and developing monitoring systems, thereby strengthening overall information management.

The Group Information Management Committee of Seven & i Holdings, which oversees the Group, works with the information management committees of each company to establish and continuously improve management systems that respond to changes in the environment, including the planning, promotion, and management of information security-related measures. In addition, we promote thorough implementation of technical security measures through specialized subcommittees under our control to further ensure safety. Risks related to information security and the status of these activities are regularly reported to the Board of Directors for advice and instructions.

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

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



Information security management system

## Accident and Emergency Response Related to Information Security

Seven & i Holdings has established a reporting line among Group companies through the "Material Fact Reporting Guidelines," and has built a system to ensure the reliable communication of information and minimize damage and impact. In the unlikely event of an incident or suspicious event related to information security, we will strive to report it appropriately and without delay to the victim and all related parties in accordance with our reporting obligations under laws and regulations.

In the event of a serious incident, we promptly report it to the President and Chief Executive Officer and the Chief Information Management Officer.

## Compliance with International Standards

Seven & i Holdings has established information security rules and regulations with reference to ISO 27001, an international certification standard related to information security, National Institute of Standards and Technology (NIST) Cyber Security Framework, Center for Internet Security (CIS) Controls, Ministry of Economy, Trade and Industry (METI) Cyber Security Management Guidelines, and so on. Seven & i Holdings and its group companies have established and are operating an information security management system (ISMS) based on these rules to control information security risks such as leakage, falsification, and service suspension of information assets. Through continuous improvement of this management system, we strive to maintain the confidentiality, integrity, and availability of our information assets.

In addition, major locations and related departments of our operating companies that deal with customers' personal information have been assessed and certified by a third-party organization for their ISMS organizational structure, and we are in the process of expanding the scope of certification.

> [A list of ISMS certified locations can be found here \(in Japanese\)](#) 

## Employee Training to Raise Awareness of Information Security and Cyber Security

Seven & i Holdings believes that to ensure the appropriate handling of personal information and confidential information in daily work, it is necessary for every executive and employee to understand the importance of information security, to raise their awareness of information security, and, on top of that, to have the knowledge required for accurate judgement and conduct.

Seven & i Holdings provides education several times a year about the latest trends in information security and personal information protection, management systems, and general information security measures through e-learning and online training programs for directors, managers, and general employees. The aims of education are responding appropriately to information security and cyber security threats, as well as laws and regulations concerning personal information and other matters. These educational materials are also being rolled out to all Group companies so that all executives and employees of the Seven & i Group can acquire the same level of knowledge.

In addition, we have opened an educational portal site with materials that can be quoted in manuals, meetings, etc. on information security, personal information protection, and so on, as well as a security video that can be borrowed. We are endeavoring to provide enlightenment so that all executives and employees can think and act for themselves.

### Targeted Email Attack Training

The threat of cyberattacks by means of targeted email attacks is increasing day by day. Regular training is essential for all executives and employees to be able to respond properly if they come under attack. Seven & i Holdings sends multiple patterns of mock email to all executives and employees of the Group and strengthen their ability to respond through actual experience of how to discern suspicious email and how to respond should such email be received.

## Strengthening of Cybersecurity Countermeasures

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Seven & i Holdings has positioned cyberattacks, which are becoming more advanced and more sophisticated by the day, as a serious risk in management and is endeavoring to strengthen cybersecurity countermeasures, including the building of a multitiered defense network to guard against illegal hacking into networks, conduct proper access control, etc.; the establishment of a setup capable of responding to threats; the education and training of human resources; and collaboration with outside professional bodies.

### (1) Establishment of special organization

As a special organization to handle cybersecurity, we have set up the 7&i Computer Security Incident Response Team (7&i CSIRT) to undertake security reviews of the information system and its operation and to promote cybersecurity countermeasures for the prevention of security incidents, such as vulnerability diagnosis by a third-party body, monitoring of illegal access, and vulnerability response.

### (2) Education and training

At least twice a year, we implement education and training supposing a cybersecurity incident or accident so that if a cyberattack or the like does occur, we can respond swiftly and appropriately and minimize the damage. By thus improving the response capability of the special organization and all executives and employees, we ensure that our response setup and response measures against incidents and accidents function effectively.

### (3) Outside collaboration

In order to be able to respond speedily to cyberattacks and so on, we collaborate with such outside organizations as the Japan Computer Emergency Response Team Coordination Center (JPCERT/CC) and the Nippon CSIRT Association, sharing information with them on cyberattacks, countermeasure trends, etc.

# Human Rights Initiatives

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## Promotion Framework

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The project involves the chairpersons of each of the four subcommittees under the CSR Management Committee (Corporate Ethics and Culture Subcommittee, Supply Chain Subcommittee, Compliance Subcommittee, and Environmental Subcommittee), as well as the Human Rights Education Center. The project promotes human rights due diligence initiatives, including identification of business-specific human rights issues, corrective actions, regular monitoring, and information disclosure. Plans of human rights initiatives are developed and the progress is reviewed at meetings of the Human Rights Promotion Project.

The Corporate Ethics and Culture Subcommittee under the CSR Management Committee regularly shares the progress on efforts related to human rights education. It advances activities aimed at having all employees of Group companies correctly understand and recognize human rights, along with fostering a corporate culture free of discrimination or prejudice. The Supply Chain Subcommittee under the CSR Management Committee requests that suppliers understand the Seven & i Group's approach to human rights and implement ongoing initiatives.

In addition, Seven & i Holdings has permanently established the Human Rights Education Center as a specialized department that oversees operations related to human rights enlightenment and normalization. The Human Rights Education Center conducts various awareness-raising and educational activities in cooperation with the human resource departments and CSR promotion departments of each Group company.

These human rights initiatives are reported and shared at the biannual meetings of the CSR Management Committee, a cross-group organization.

## Human Rights Awareness and Training

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Seven & i Group offers a variety of educational activities and employee training with the aim of creating a corporate culture in which everyone respects the human rights of all customers, business partners, people in local communities, and colleagues, and in which people are aware of all types of discrimination and prejudices and do not discriminate against others or tolerate such behavior.

Since 1987, we have joined the Tokyo Human Rights Awareness Corporate Liaison Committee (name at the time of joining, "Tokyo Corporate Liaison Committee for the Dowa Issue") which comprises of 123 companies (as of April 2022), mainly companies headquartered in Tokyo. Through participation in the monthly conferences, we are working to further enhance human rights education and our awareness-raising system while mutually studying with member companies.

[Further information about the activities of the Tokyo Human Rights Awareness Corporate Liaison Committee can be found here \(Japanese\) >](#)

## Conducting Training

Seven & i Group companies provide awareness training to employees, including managers and part-time employees, on a variety of human rights issues such as basic approaches to human rights and harassment prevention. In addition, Seven & i Holdings is working to promote employee understanding through the utilization of our human rights awareness handbook “Human Rights for Everyone—Let’s Start by Learning” and “Normalization Support Guide” to further support the education of Group companies.

For example, Ito-Yokado holds level-specific human rights awareness training when employees join the company or are assigned to a new store or local store, with training content matching job responsibilities. Employees come to recognize that human rights issues are easily happened in everyday life, and the training includes specific examples such as power harassment and sexual harassment as well as new developments and issues so that employees can apply what they learn to their daily activities. In the fiscal year ending February 28, 2022, training sessions for preventing harassment were held for 17 companies, and training sessions for mental health were held for 19 companies.

At York, hands-on training on normalization is incorporated as part of training at the time of joining the company to provide assistance to people with visual impairments and those on wheelchairs. Sogo & Seibu provides training on how to respond to a wide range of customers, including acceptance of assistance dogs and explanations on universal design, as part of training at the time of joining the store for new employees and store employees of business partners.

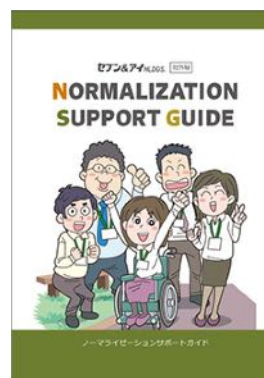
Further, Seven & i Holdings conducts compliance training for business partners and the Group’s personnel in charge of product development and purchasing in order to reduce and mitigate human rights risks in the supply chain. In the fiscal year ending February 28, 2022, about 2,800 employees took the compliance training.

[Further information about compliance training for suppliers can be found here >](#)

[Further information about compliance training for the personnel in charge of product development and purchasing can be found here >](#)



Human Rights - Let's Start by Learning handbook



Normalization Support Guide



Human rights training

## Human Rights Slogan Contest

To create a corporate culture in which each employee's human rights are respected in accordance with the Corporate Action Guidelines, each year the Seven & i Group solicits human rights slogans from all employees, including part-time employees, and their family members. In the process of coming up with human rights slogans, opportunities are created for employees to think about human rights, which raises their awareness of human rights issues. The most excellent slogans selected from among those submitted are announced to the employees through the Group's internal newsletter and on the intranet website, and are awarded prizes. The contest was held for the 31th time in the fiscal year ending February 28, 2022, and 24,079 slogans were received, marking yet another year with a large number of submissions. The slogans emphasized reconsidering the importance of human rights, touching on everything from personal feelings in one's daily life to musings from a broader perspective.

## Evaluation of Respect for Human Rights

### Employee Engagement Surveys

Seven & i Group conducts an employee engagement survey targeting employees of Seven & i Holdings as well as Group companies. The survey includes questions asking people if they respect diversity or have seen or heard about problematic employee behavior in the workplace, and checks whether the human rights are respected in line with the Corporate Action Guidelines. The survey conducted in the fiscal year ending February 28, 2022, targeted approximately 73,000 employees working at 34 Group companies in Japan. The next survey is scheduled for the second half of FY2022.

[More details of the Employee Engagement Survey can be found here >](#)

### Interview Surveys Targeting Employees

The Seven & i Group implements interview surveys of store employees conducted by the Human Rights Education Center with the aim of identifying human rights issues specific to its business or operating companies and for reducing and mitigating human rights risks. In March 2021, we completed interviews with all employees of Terube, Ltd., a special subsidiary established to promote employment for people with severe disabilities. We plan to conduct interview surveys sequentially in the future as well.

### Assessment of Suppliers by Self-Check Sheet

To ensure that suppliers understand the Seven & i Holdings Business Partner Action Guidelines, Seven & i Group administers a self-check sheet for suppliers that explains all of the specific requirements for compliance. The self-check sheet contains 61 questions, including human rights-related questions. For example, the questions ask whether or not factory employees have access to consulting desks and whether or not the company requests that its own suppliers comply with the Seven & i Holdings Business Partner Action Guidelines. Responses are entered into a database, and the data are used in the process for determining whether to continue doing business with the suppliers.

[Further information about the self-check sheet for suppliers can be found here >](#)

## Questionnaire Survey for Suppliers

From the fiscal year ended February 28, 2017, the Seven & i Group has conducted questionnaire surveys of suppliers to confirm whether the speech and behavior of employees toward suppliers follow the Seven & i Holdings Corporate Action Guidelines. In these surveys, suppliers reply to questions anonymously. In the fiscal year ending February 28, 2022, a total of approximately 8,800 representatives of suppliers responded to questionnaire surveys issued by Group companies.

## CSR Audits of Suppliers' Manufacturing Factories

In addition, Seven & i Group conducts CSR audits of end manufacturing factories of the suppliers who produce Seven Premium, group's private brand products, as well as Ito-Yokado's overseas direct import suppliers. The audits ascertain their level of compliance with the Seven & i Group Business Partner Sustainability Action Guidelines.

A third-party organization conducts the audits in line with Seven & i Holdings' original audit, which covers topics such as human rights and the work environment (16 categories and 117 check items). This was prepared by making reference to sources such as the ISO 26000 standard, the Japanese Business Federation's Charter of Corporate Behavior, and the OECD Guidelines for Multinational Enterprises. In the fiscal year ending February 28, 2022, CSR audits were conducted at 357 factories in 10 countries.

[Further details about CSR audits of suppliers can be found here >](#)

## Helplines for Human Rights Issues

Seven & i Group has established the Groupwide Helpline as a consultation service for Group employees, their family members, and former employees to consult about or report on any human rights problems in the workplace. In addition, the Group has also established the Business Partner Helpline. The Helpline can be used by directors and audit & supervisory board members, employees, and former employees of domestic Group companies' business partners. The consultation service is operated by a third party under a service contract and a non-disclosure agreement with our company to protect the privacy of people who contact it. When a report or consultation is received, the facts are investigated as necessary having obtained consent from the person who made the report. If any issues are identified, corrective measures will be taken. In addition, the rules of the consultation service stipulate that people who contact the service as well as those who cooperate with the investigation of facts shall not be subject to disadvantageous treatment.

[Further information about the Groupwide Helpline can be found here >](#)

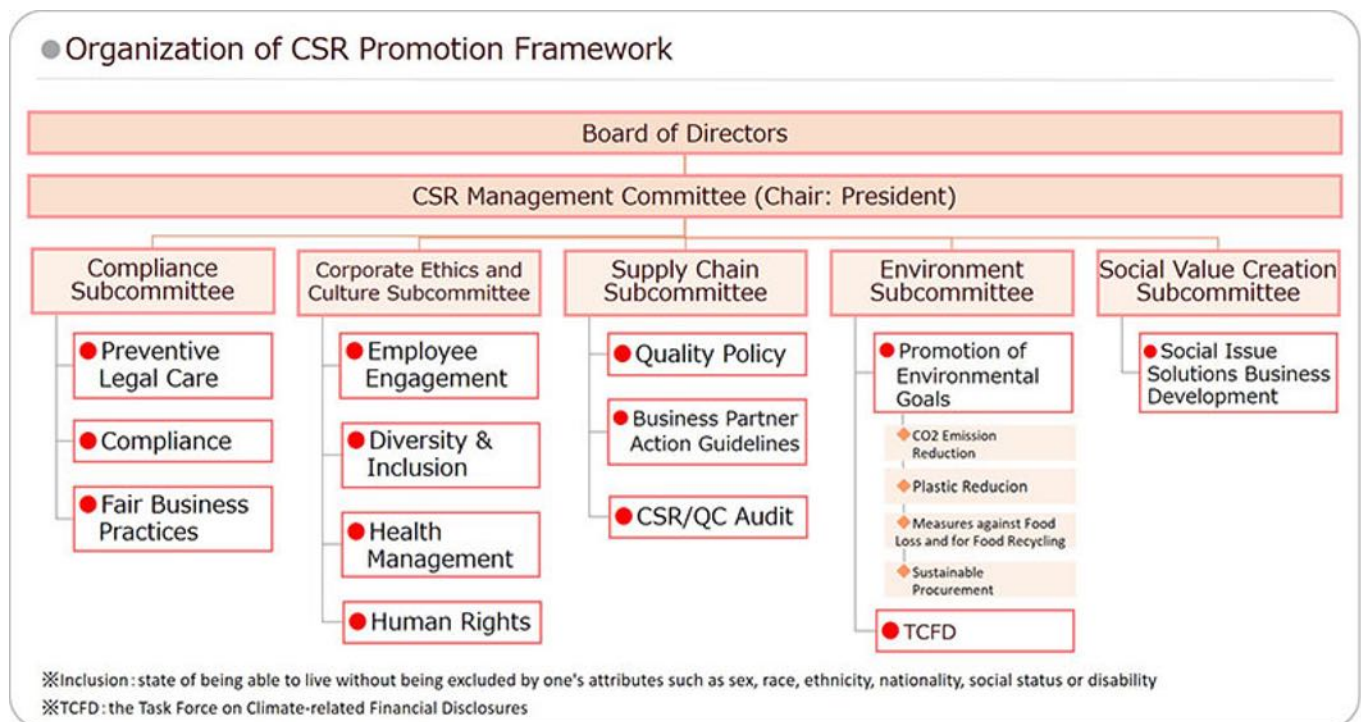
[Further information about the Business Partner Helpline can be found here >](#)

# Sustainability 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.

## Sustainability Promotion Framework

Seven & i Holdings seeks to promote Group-wide sustainability 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 five subcommittees. The meetings also help to strengthen the framework of collaboration between the holding company and operating companies.



## Compliance Subcommittee

The Group employees complying with laws, regulations and social norms and practicing compliance including fair trade with customers and business partners is absolutely essential to realizing the Group's Corporate Creed "Trust and Sincerity." In addition to reinforcing thorough compliance at each Group company level, Seven & i Holdings established the Compliance Subcommittee in order for Seven & i Holdings, being the shareholding company, to support each Group company strengthen its compliance systems, as well as ensure effective supervision thereby. The Compliance Subcommittee is chaired by the head of the Corporate General Administration & Legal Division of Seven & i Holdings. The division in charge of legal affairs at the Company manages the subcommittee to promote specific measures.

## Corporate Ethics and Culture Subcommittee

The Group employees understanding the Group's Corporate Creed and rigorous implementation of the Corporate Action Guidelines are an essential and important foundation to realize the Group's Corporate Creed "Trust and Sincerity." The Corporate Ethics and Culture Subcommittee conducts initiatives based on rigorous implementation of the Corporate Action Guidelines, such as to improve Group employee awareness through education by making everyone aware of the Corporate Creed and the Corporate Action Guidelines. In addition to these initiatives, to create fulfilling workplaces, Seven & i Holdings have been conducting an Employee Engagement Survey. We are also working to improve work environments, such as by rectifying long working hours, 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. Further, Seven & i Holdings is working to create an environment where all employees can work at ease, such as by encouraging employees to take days off on holidays and acquire leave. The Corporate Ethics and Culture Subcommittee is chaired by the head of the Corporate Personnel Planning Division of Seven & i Holdings. The division in charge of human resources at the Company manages the subcommittee to promote specific measures.

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

## Supply Chain Subcommittee

It is one of the important corporate social responsibilities for companies and also a strong demand by stakeholders to promptly respond to the United Nations' "Guiding Principles on Business and Human Rights" and "Sustainable Development Goals (SDGs)," and to build a sound supply chain with human rights and the environment in mind. To improve product quality and ensure safety at each Group company, Seven & i Holdings aims to establish and strengthen the quality levels and control systems of each Group company based on the Group's Quality Policy. Furthermore, to ensure that Seven & i Holdings meets its social responsibilities regarding products and services across the entire supply chain, Seven & i Holdings asks business partners to understand and implement the Business Partner Sustainable Action Guidelines. Seven & i Holdings regularly verifies and shares their compliance through CSR audits to promote education, enlightenment and correction. The Supply Chain Subcommittee is chaired by the Managing Executive Officer and head of the Seven & i Holdings Group Merchandise Strategy & Planning Division, and is managed by the division in charge of product strategies at the Group to promote specific measures.

[For details about the Seven & i Group Sustainable Sourcing Principles and Policies >](#)

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

## Environment Subcommittee

The Group uses products, raw materials and energy efficiently to combat challenges such as climate change and resource depletion, and the Group is working with customers and business partners to reduce the environmental impact throughout the supply chain. Seven & i Holdings believes this is an important factor that contributes to the sustainable development of society and will result in the sustainable growth of the Group. Therefore, based on the GREEN CHALLENGE 2050 approved by the Board of Directors in April 2019 and announced in May 2019, the Environment Subcommittee is working to promote initiatives to develop a decarbonized society, a circular economy, and a society in harmony with nature. Based on recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), it is analyzing the risks and opportunities of climate change and deepening the Group's initiatives. The Environment Subcommittee is chaired by the Executive Officer and head of the Sustainability Development Department of the Corporate Development Division of Seven & i Holdings, and is managed by the department in charge of environmental measures of the Group to promote specific measures.

## 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 seven 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. Apart from this, the subcommittee will strive to deepen initiatives with a view to fostering external collaboration with business partners, social entrepreneurs, NPOs, and other partners. The Social Value Creation Subcommittee is chaired by the Director, Managing Executive Officer, and head of the Corporate Development Division of Seven & i Holdings, and is managed by the division in charge of management planning to promote specific measures.

## Targets and Progress by Each Subcommittee

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

Major Plans for FY2021	Results for FY2021	Evaluation	Major Plans for FY2022
Compliance Subcommittee			
(1) Establishing fair business practices			
<ul style="list-style-type: none"> <li>Confirm the status of compliance with the Antimonopoly Act, the Subcontract Act, the Act against Unjustifiable Premiums, the Act Concerning Special Measures for Correcting Practices Impeding Consumption Tax Pass-on, etc., and take remedial measures as necessary FT project conference: held twice a year</li> <li>Conduct FT training (e-learning) May: General labeling training (including food labels), 5,000 people underwent training November: Fair trade (abuse of superior bargaining position, Subcontracting Act), 9,000 people in total underwent training</li> <li>Conduct Group education (including online) First half: 10 times, 400 people underwent training Second half: 15 times, 600 people underwent training</li> <li>Conduct business partner questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>Information sharing at FT project conferences First half (May): 54 participants from 25 Group companies Second half (November): 63 participants from 24 Group companies</li> <li>FT training (e-learning) June: General labeling training (including food labels), 6,310 people in total underwent training November: Fair trade (abuse of superior bargaining position, Subcontracting Act), 11,576 people in total</li> <li>Group education (including online) First half: 12 times, 449 people in total underwent training Second half: 17 times, 613 people in total underwent training</li> <li>Business partner questionnaires Approximately 8,800 responses</li> </ul>	○	<ul style="list-style-type: none"> <li>Confirm the status of compliance with the Antimonopoly Act, the Subcontract Act, the Act against Unjustifiable Premiums, and take remedial measures as necessary FT project conference: held twice a year</li> <li>Conduct FT training (e-learning) June: General labeling training (including food labels), 7,000 people underwent training November: Fair trade (abuse of superior bargaining position, Subcontracting Act), 11,000 people in total underwent training</li> <li>Group education (including online) First half: 15 times, 500 people underwent training Second half: 15 times, 600 people underwent training</li> <li>Conduct business partner questionnaires</li> </ul>

Major Plans for FY2021	Results for FY2021	Evaluation	Major Plans for FY2022
(2) Enforcement of compliance			
<ul style="list-style-type: none"> <li>Interview operating companies on compliance issues and response status</li> <li>Conduct compliance e-learning (September–October)</li> </ul>	<ul style="list-style-type: none"> <li>Interviews of operating companies on compliance issues and response status: 25 companies</li> <li>Compliance e-learning Number of course takers: 2,818 Number of courses: 10 Total number of course takers: 11,743</li> </ul>	○	<ul style="list-style-type: none"> <li>Interview operating companies on compliance issues and response status: 25 companies</li> <li>Conduct compliance e-learning</li> </ul>
(3) Enhancement of preventive legal functions			
<ul style="list-style-type: none"> <li>Implement compliance function questionnaires and interviews targeting operating companies</li> </ul>	<ul style="list-style-type: none"> <li>Interviews of operating companies on compliance issues and response status: 25 companies</li> </ul>	○	<ul style="list-style-type: none"> <li>Interview operating companies on compliance issues and response status: 25 companies</li> </ul>
(4) Strengthen the internal reporting system			
<ul style="list-style-type: none"> <li>Establish a system as necessary in accordance with the amended Whistleblower Protection Act</li> <li>Conduct training using an outside instructor for Group company internal reporting system staff (at least once a year)</li> <li>Implementation of registration renewal of the internal reporting system (for employees) in the Consumer Affairs Agency's Whistleblower Compliance Management System</li> </ul>	<ul style="list-style-type: none"> <li>Establish a system as necessary in accordance with the amended Whistleblower Protection Act: Meetings held 10 times</li> <li>Conduct training using an outside instructor for Group company internal reporting system staff October: 80 people underwent training, November: 60 people underwent training</li> <li>Implementation of registration renewal of the internal reporting system (for employees) in the Consumer Affairs Agency's Whistleblower Compliance Management System (August)</li> </ul>	○	<ul style="list-style-type: none"> <li>Establish a system as necessary in accordance with the amended Whistleblower Protection Act</li> <li>Conduct training using an outside instructor for Group company internal reporting system staff (at least once a year)</li> </ul>

Major Plans for FY2021	Results for FY2021	Evaluation	Major Plans for FY2022
Corporate Ethics and Culture Subcommittee			
(1) Thoroughly ensure compliance with Corporate Action Guidelines			
<ul style="list-style-type: none"> <li>Focus on awareness and permeation of the Corporate Creed and Corporate Action Guidelines when educating employees and help them take root</li> <li>In the Employee Engagement Survey, regularly monitor status of compliance with the Corporate Action Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Confirm status of compliance with the Corporate Creed and Corporate Action Guidelines when conducting Employee Engagement Surveys</li> <li>Compliance with the Corporate Action Guidelines: 93% (Full-time employees)</li> </ul>	○	<ul style="list-style-type: none"> <li>Focus on awareness and permeation of the Corporate Creed and Corporate Action Guidelines when educating employees and help them take root</li> <li>In the Employee Engagement Survey, regularly monitor status of compliance with the Corporate Action Guidelines</li> </ul>
(2) Create fulfilling workplaces			
<ul style="list-style-type: none"> <li>Establishment of an Engagement Improvement Committee at each Group company</li> <li>In response to the survey results, consider and plan improvement measures through dialog with employees</li> <li>Conducting Employee Engagement Surveys</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of an Engagement Improvement Committee at each Group company and reinforcement of improvement activities</li> <li>Establishment of opportunities for dialogue with employees at many Group companies and proposal and implementation of improvement measures</li> <li>Conducting Employee Engagement Surveys (November) Target: 34 Group companies, about 73,000 people</li> </ul>	△	<ul style="list-style-type: none"> <li>Reinforce activities to enhance engagement at Group companies and share information on case studies</li> <li>In response to the survey results, consider improvement measures through dialog with employees and continuously implement plans</li> <li>Conducting Employee Engagement Surveys</li> </ul>
<ul style="list-style-type: none"> <li>Promoting employment of people with disabilities</li> <li>Promote support for recruitment activities and retention for operating companies that have not achieved statutory employment rate</li> </ul>	<ul style="list-style-type: none"> <li>Reinforce acceptance of workplace trainees from special support schools with a focus on operating companies that have not met the statutory employment rate (Sogo &amp; Seibu, York, and others) and Ito-Yokado: 17 persons hired</li> </ul>	○	<ul style="list-style-type: none"> <li>Promoting employment of people with disabilities</li> <li>Promote support for recruitment activities and retention for operating companies that have not achieved statutory employment rate (support for individual interviews and consultations)</li> </ul>

Major Plans for FY2021	Results for FY2021	Evaluation	Major Plans for FY2022
<ul style="list-style-type: none"> <li>Maintain and improve the statutory employment rate</li> <li>Maintain and improve the statutory employment rate for people with disabilities at the five applicable Group companies</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a 2.95% actual employment rate at the five applicable Group companies* *Seven &amp; i Holdings, Seven-Eleven Japan, Ito-Yokado, Seven &amp; i Food Systems, Terube</li> </ul>	○	<ul style="list-style-type: none"> <li>Maintain and improve the statutory employment rate</li> <li>Maintain and improve the statutory employment rate for people with disabilities at the five applicable Group companies</li> </ul>
<ul style="list-style-type: none"> <li>Strengthen awareness-raising activities for Group companies</li> <li>Share laws and system revisions related to human rights issues such as the employment of people with disabilities, as well as discriminatory cases and incidents that actually occurred and provide reminders</li> </ul>	<ul style="list-style-type: none"> <li>Prepare Human Rights Reports to disseminate information to Group companies (issued seven times annually)</li> <li>Promote hiring of persons with disabilities and normalization while sharing information on various human rights issues with employees and conducting educational activities</li> </ul>	△	<ul style="list-style-type: none"> <li>Reinforce educational activities for Group companies and implement rank-based human rights training, hands-on normalization training, follow-up training for vocational life counselors for employees with disabilities, and other measures</li> </ul>
(3) Diversity & Inclusion Promotion Project			
<ul style="list-style-type: none"> <li>Strengthen the dissemination of information both internally and externally on promoting diversity and inclusion</li> <li>Implement training of female candidates for management positions (women encouragement seminars)</li> </ul>	<ul style="list-style-type: none"> <li>Set target for ratio of female executive officers 30% by February 28, 2026 (at the six core Group companies)</li> <li>Join the 30% Club Japan</li> <li>Conduct newly the women encouragement seminars 60 participants from 19 Group companies</li> <li>Percentage of female managers (end of February 2022) Team leaders: 30.4% Section managers: 23.3%</li> </ul>	△	<ul style="list-style-type: none"> <li>Manage KPI and progress and implement measures at Group Companies each half to achieve the targets for the ratio of female managers</li> <li>Conduct female employee empowerment measures throughout the Group (training for female employees, etc.)</li> </ul>

Major Plans for FY2021	Results for FY2021	Evaluation	Major Plans for FY2022
<ul style="list-style-type: none"> <li>Continue to conduct awareness raising activities targeting the executives and managers of Group companies</li> <li>Promote use of childcare leave among male employees</li> </ul>	<ul style="list-style-type: none"> <li>Implement unconscious bias training 277 participants</li> <li>Conduct training for officers of Group companies: 191 participants</li> <li>Distribute Akachan Honpo discount coupons to eligible employees to encourage male employees to take childcare leave</li> </ul>	△	<ul style="list-style-type: none"> <li>Continue to conduct awareness raising activities targeting the executives and managers of Group companies</li> <li>Promote use of childcare leave among male employees</li> <li>Disseminate basic knowledge on balancing work and family care responsibilities</li> <li>Promote LGBT understanding</li> </ul>
<ul style="list-style-type: none"> <li>Disseminate basic knowledge on balancing work and family care responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>Hold seminars on nursing care and distribute archives of seminar content: 185 participants</li> </ul>	○	
<ul style="list-style-type: none"> <li>Continue awareness raising activities related to diversity and inclusion within the Group</li> <li>Promote LGBT understanding</li> </ul>	<ul style="list-style-type: none"> <li>Hold LGBT seminar and distribute archives of seminar content: 180 participants</li> </ul>	○	<ul style="list-style-type: none"> <li>Disseminate information related to diversity and inclusion internally and externally</li> </ul>
(4) Promoting health management			
<ul style="list-style-type: none"> <li>Plan and implement measures based on Health Declaration NEXT</li> <li>Implement initiatives for maintaining health, preventing illnesses, and returning to health</li> <li>Raising employee health awareness</li> </ul>	<ul style="list-style-type: none"> <li>Conduct walking events 7,941 participants from 25 companies</li> <li>Conduct health awareness raising seminars 900 participants from 18 companies</li> <li>Conduct breast cancer screening and cervical cancer risk testing (for employees who wish)</li> </ul>	△	<ul style="list-style-type: none"> <li>Plan and implement measures based on Health Declaration NEXT</li> <li>Implement initiatives for maintaining health, preventing illnesses, and returning to health</li> <li>Raising employee health awareness</li> </ul>

Major Plans for FY2021	Results for FY2021	Evaluation	Major Plans for FY2022
<ul style="list-style-type: none"> <li>Establishment of comfortable working environments where people can work with healthy minds and bodies</li> </ul>	<ul style="list-style-type: none"> <li>Implement harassment training 17 companies participated</li> <li>Implement mental health training 19 companies participated</li> </ul>	○	<ul style="list-style-type: none"> <li>Establishment of comfortable working environments where people can work with healthy minds and bodies</li> </ul>
Supply Chain Subcommittee			
(1) Improving product quality and ensuring safety			
<ul style="list-style-type: none"> <li>Conduct monthly meetings of the working group for revising quality standards</li> </ul>	<ul style="list-style-type: none"> <li>Revise quality standards for each operating companies and share them with Group companies</li> </ul>	○	<ul style="list-style-type: none"> <li>Identify and share information on issues to reinforce quality control systems at operating companies</li> </ul>
<ul style="list-style-type: none"> <li>Request implementation of self-checks and submission of pledges in cases of PB factories which are difficult to audit</li> <li>Data base compilation using the supply chain management system</li> </ul>	<ul style="list-style-type: none"> <li>Request implementation of self-checks by business partners and collect pledges. While on-site audits are difficult, conduct on-site audits at 35 factories and remote audits at three factories</li> </ul>	△	<ul style="list-style-type: none"> <li>Conduct ongoing audits</li> <li>Use remote audit methods because of the COVID-19 pandemic and continue monitoring factories that manufacture PB products</li> </ul>
<ul style="list-style-type: none"> <li>Construct an education program subdivided by category to improve the expertise of personnel in charge of purchasing</li> <li>Expand training tailored to the times, such as training on sustainable materials</li> </ul>	<ul style="list-style-type: none"> <li>Conduct training to acquire highly specialized knowledge on apparel, household goods, and sustainable materials</li> <li>A wide range of Group employees participate in online training, with a total of 1,287 employees undergoing training</li> </ul>	○	<ul style="list-style-type: none"> <li>Conduct new training not just for purchasing personnel but also personnel in quality control departments so that they can acquire specialized skills and knowledge on quality control and product safety</li> <li>Conduct training on specific products so that personnel can acquire additional specialized knowledge</li> </ul>
<ul style="list-style-type: none"> <li>Support acquisition of quality certification by the end of FY2021 at the Seven Premium manufacturing consignment factories</li> </ul>	<ul style="list-style-type: none"> <li>98.9% of manufacturing consignment factories acquire quality certification</li> </ul>	△	<ul style="list-style-type: none"> <li>Continue measures in cooperation with business partners for all factories to obtain quality certification</li> </ul>

Major Plans for FY2021	Results for FY2021	Evaluation	Major Plans for FY2022
<ul style="list-style-type: none"> <li>Confirmation of the status of compliance with manual through of HACCP by store patrols</li> <li>Sharing information on the operational status of each company</li> </ul>	<ul style="list-style-type: none"> <li>Continue affirming the status of compliance with HACCP operations manuals at each store</li> <li>Employ hazard factor analysis to prevent accidents</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue compliance with HACCP operations manuals</li> <li>Conduct training to acquire fundamental knowledge concerning sanitation management</li> </ul>
<ul style="list-style-type: none"> <li>Promote environmental improvement, including system renovation</li> </ul>	<ul style="list-style-type: none"> <li>Encourage introduction of automated identification systems at PB manufacturing consignment factories</li> </ul>	△	<ul style="list-style-type: none"> <li>Collect the latest industry information, etc.</li> </ul>
(2) Thorough implementation of Business Partner Action Guidelines			
<ul style="list-style-type: none"> <li>Online briefings to explain Seven &amp; i Holdings Business Partner Sustainable Action Guidelines 2021 For Seven Premium domestic (February) For domestic business partners on consignment of PB overseas manufacturing (February) Multilingual briefings for China and Southeast Asia (March)</li> <li>Briefings and training for in-house purchasing personnel (April, July, October, January)</li> </ul>	<ul style="list-style-type: none"> <li>For Seven Premium domestic manufacturing contractors: Viewed by 306 companies and 414 persons For domestic business partners on consignment of PB overseas manufacturing: Viewed by 145 companies and 213 persons Multilingual briefings for China and southeast Asia (in English, Chinese, Thai, and Vietnamese): Viewed by 66 companies and 444 persons</li> <li>Briefings and training for in-house purchasing personnel: 13 companies in a total of 2,030 persons participated in training including e-learning</li> </ul>	○	<ul style="list-style-type: none"> <li>Live broadcast and on-demand distribution of Business Partner Action Guidelines and CSR audit briefings (for Japan and overseas) Live broadcast (March) On-demand distribution (March–November)</li> <li>Conduct briefings on the Business Partner Action Guidelines and CSR audits for in-house purchasing personnel (June, October, and January)</li> </ul>
<ul style="list-style-type: none"> <li>Conduct compliance seminar For domestic (May, August, November) For overseas factories (June, September, December)</li> </ul>	<ul style="list-style-type: none"> <li>Compliance seminars for domestic business partners: Implement eight times with a total of 1,982 viewers</li> <li>Compliance seminars for overseas factories: Implement 11 times in Chinese, Thai, and Vietnamese with a total of 669 viewers</li> </ul>	○	<ul style="list-style-type: none"> <li>Divide compliance seminars into 10 courses and provide on-demand distribution of more practical content including specific case studies</li> </ul>

Major Plans for FY2021	Results for FY2021	Evaluation	Major Plans for FY2022
<ul style="list-style-type: none"> <li>Conduct CSR audit Overseas: 500 factories in China and Southeast Asia Domestic: 500 factories that produce Seven Premium *May shrink due to the effects of COVID-19 *Remote auditing using online are also introduced</li> </ul>	<ul style="list-style-type: none"> <li>CSR audits of overseas factories: 357 factories (322 factories audited on-site and 35 factories audited remotely) CSR audits of domestic factories: 371 factories (321 factories audited on-site and 50 factories audited remotely) * There is substantial impact from the COVID-19</li> </ul>	○	<ul style="list-style-type: none"> <li>Conduct CSR audit Overseas: 350 factories in China and Southeast Asia Domestic: 500 factories that produce Seven Premium *May shrink due to the effects of COVID-19</li> </ul>
Environment Subcommittee			
(1) Initiatives for achieving a decarbonized society			
<ul style="list-style-type: none"> <li>Expand the number of third-party verification companies to 15 in order to properly evaluate and verify initiatives to reduce CO<sub>2</sub> emissions</li> <li>Expand installation of renewable energy equipment such as solar panels, as well as renewable energy procurement</li> </ul>	<ul style="list-style-type: none"> <li>Expand the scope of third-party verification to 15 Group companies by adding Seven Bank, Barneys Japan, Seven &amp; i Holdings (the target companies account for approximately 98% of total Group sales revenue)</li> <li>Install solar power generation panels in 8,821 Group stores</li> <li>Starting in April 2021, introduce the green electric power including off-site PPA at some stores</li> </ul>	○	<ul style="list-style-type: none"> <li>Apply for SBT certification</li> <li>Conduct third-party verifications of CO<sub>2</sub> emissions at 15 companies</li> <li>Install solar power generation panels at more than 9,000 Group stores</li> <li>Expand procurement of renewable energy through off-site PPA</li> </ul>
(2) Initiatives for achieving a circular economy			
<ul style="list-style-type: none"> <li>Introduce environmentally friendly materials to Seven-Eleven rice balls and sandwiches</li> <li>Expand the use of recycled PET bottles for Seven Premium beverages</li> </ul>	<ul style="list-style-type: none"> <li>Make the film used to wrap Seven-Eleven hand-rolled rice balls thinner to reduce plastic usage by 20% compared to previously</li> <li>Combine the film used for some Seven-Eleven sandwich products with paper materials to reduce plastic usage by 40% compared to previously</li> <li>Change containers used with 4 Seven Premium tea products to 100% recycled PET plastic</li> </ul>	○	<ul style="list-style-type: none"> <li>Implement environmental responses at SEVEN CAFÉ</li> <li>Implement environmental responses for Seven-Eleven dairy products</li> </ul>

Major Plans for FY2021	Results for FY2021	Evaluation	Major Plans for FY2022
<ul style="list-style-type: none"> <li>Promoting recycling of resources together with customers by expanding the installation of PET bottle collection machines</li> <li>Participation in platforms and initiatives with new business partners in the recycling of plastic resources</li> </ul>	<ul style="list-style-type: none"> <li>Number of PET bottle collection machines installed: 2,098 machines (an increase of 1,097 machines from the previous year); total volume collected: 10,800 t (an increase of 2,100 t from the previous year)</li> <li>Make an equity investment in R Plus Japan, Ltd., a new company, to recycle used plastic</li> <li>Make an equity investment in Kyoei J&amp;T Recycling Corporation, one of Japan's largest PET bottle recycled resin manufacturing companies</li> </ul>	○	<ul style="list-style-type: none"> <li>Encourage resource recycling with customers by expanding installation of PET bottle collection machines</li> <li>Implement demonstration tests of new in-store collection methods to conduct plastic resource recycling</li> </ul>
<ul style="list-style-type: none"> <li>Develop the new awareness-raising activity, the "Temaedori Project," aimed at reducing food waste at all 7-Eleven stores (cooperation among ministries, agencies, and JFA)</li> </ul>	<ul style="list-style-type: none"> <li>Implement the "Temaedori Project" at 7-Eleven stores in collaboration with government ministries and agencies and JFA</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue the "Temaedori Project" at 7-Eleven stores and expand into the Group's food supermarket sector</li> </ul>
<ul style="list-style-type: none"> <li>Implement mottECO at Denny's restaurants with the aim of reducing food loss arising from customer leftovers</li> </ul>	<ul style="list-style-type: none"> <li>Implement mottECO at Denny's restaurants in Tokyo and encourage customers to bring leftovers home</li> </ul>	○	<ul style="list-style-type: none"> <li>Expand mottECO implementing restaurants nationwide</li> </ul>

Major Plans for FY2021	Results for FY2021	Evaluation	Major Plans for FY2022
(3) Initiatives for developing a society in harmony with nature			
<ul style="list-style-type: none"> <li>Development and introduction of new certified products</li> </ul>	<ul style="list-style-type: none"> <li>Expand MEL-certified fish species handled by Ito-Yokado to include farm-raised yellowtail, amberjack, red sea bream, flatfish, and silver salmon as well as wild-caught bonito</li> <li>Begin handling MEL-certified products at Group companies York Benimaru and York</li> </ul>	○	<ul style="list-style-type: none"> <li>Following acquisition of MEL certification, acquire ASC CoC certification at all superstore business stores</li> </ul>
			<ul style="list-style-type: none"> <li>Conduct basic JGAP instructor training for employees involved in product procurement and increase the number of employees with JGAP instructor qualifications</li> </ul>
(4) Raising employee environmental awareness			
<ul style="list-style-type: none"> <li>Number of employees who pass the Certification Test for Environmental Specialists: 500 (for a cumulative total of about 10,500) *The number of people who can take the test is decreasing with the transition to the internet examination method</li> </ul>	<ul style="list-style-type: none"> <li>Number of employees who pass the Certification Test for Environmental Specialists: about 900 (for a cumulative total of about 10,900)</li> </ul>	○	-
Social Value Creation Subcommittee			
(1) Promote understanding of social issues			
<ul style="list-style-type: none"> <li>Hold the second business development program for solving social issues, in addition to the sharing of CSV use among operating companies</li> </ul>	<ul style="list-style-type: none"> <li>Design the second business development program for solving social issues, in addition to the sharing of CSV use among operating companies</li> </ul>	○	<ul style="list-style-type: none"> <li>Hold the second business development program for solving social issues, in addition to the sharing of CSV use among operating companies,</li> </ul>

Major Plans for FY2021	Results for FY2021	Evaluation	Major Plans for FY2022
(2) Create new CSV businesses			
<ul style="list-style-type: none"> <li>Verify whether a business proposal emerging from a social business program can be established as a business</li> </ul>	<ul style="list-style-type: none"> <li>Conduct verification of whether a business proposal emerging from a social business program can be established as a business</li> </ul>	○	<ul style="list-style-type: none"> <li>Verify whether a business proposal emerging from a social business program can be established as a business</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 company newsletters and the Sustainability Data Book.

Study groups, seminars, and the like are held regularly for specialized fields including compliance, diversity and inclusion, and the environment, and information about volunteering is communicated to employees through the internal portal site. We have been conducting CSR training via e-learning for all employees at domestic Group companies. In the fiscal year ending February 28, 2022 as well, we implemented e-learning on the Antimonopoly Act (abuse of superior bargaining position), the Subcontracting Act, product labeling, and other topics for all employees who are associated with business partners. An e-learning about the Group's environmental declaration "GREEN CHALLENGE 2050" was also conducted.



# Risks and Opportunities Related to Sustainability

Various problems and issues related to the environment and society constitute risks that threaten a company's sustainability, but the act of endeavoring to solve such issues leads to new business opportunities. Seven & i Holdings identifies risks and opportunities related to seven material issues, and works to reduce risk levels while striving to realize a sustainable society alongside sustainable corporate growth by creating new business models for solving social issues. We have therefore created the Corporate Action Guidelines and other policies, and established the cross-group CSR Management Committee and its subcommittees, the Compliance Subcommittee, Corporate Ethics and Culture Subcommittee, Supply Chain Subcommittee, Environment Subcommittee, and Social Value Creation Subcommittee. Specific measures are considered through these committees.

## Material Issues, and Main Risks and Opportunities

### Material Issue 1

Create a livable society with local communities through various customer touchpoints

#### Risks

- Decline in sales opportunities from decrease in the infrastructure of daily life, leading to population decrease, depopulation, aging population
- Failure to open new stores as planned because of insufficient coordination with local communities resulting in inability to provide new value, etc.

#### Opportunities

- Gain stakeholder trust through expanded social role as infrastructure for daily life
- Increase sales opportunities through community revitalization, etc.

### Material Issue 2

Provide safe, reliable, and healthier merchandise and services

#### Risks

- Loss of customers because of merchandise issues or in-store accidents
- Decline in trust due to violations of laws such as quality control and labeling
- Loss of customers from delayed development of health-related merchandise, etc.

#### Opportunities

- Increase customer loyalty through rigorous safety and quality control
- Expand sales opportunities by offering health-oriented merchandise and other new merchandise that matches customers' needs, etc.

### Material issue 3

Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

#### Risks

- Physical damage to stores/distribution network due to increase in natural disasters caused by climate change
- Sharp increases in purchasing prices due to changes in demand and supply or changes in prices of crude oil and other raw materials caused by unusual weather
- Loss of customers due to corporate image with a large environmental footprint in areas including food waste and greenhouse gas emissions, etc.

#### Opportunities

- Cut costs by saving energy, reducing waste, recycling, changing energy sources
- Create brand value as a company at the forefront of environmental measures, etc.

### Material Issue 4

Achieve a society in which diverse people can actively participate

#### Risks

- Damage to corporate image, loss of customers, decline in employee engagement from tolerance of discrimination and prejudice
- Difficulty in retaining human resources, outflow of human resources, etc.

#### Opportunities

- Acquire future customers and develop new services through dialogue with and development of the next generation, the young generation, and people with various values, etc.

### Material Issue 5

Improve work engagement and environment for people working in Group businesses

#### Risks

- Decline in employee engagement from lack of improvement in work environments
- Difficulty in retaining human resources, outflow of human resources, etc.

#### Opportunities

- Promote diversity to enhance competitiveness
- Increase productivity by enhancing employees' skills and autonomy
- Develop new businesses and acquire talented personnel, etc.

#### Material Issue 6

Create an ethical society through dialogue and collaboration with customers

##### Risks

- Inability to offer new value through merchandise and services from delayed response to changes in consumer lifestyles and diversification of values, etc.

##### Opportunities

- Expand sales opportunities by offering merchandise and services addressing ethical consumption
- Work with customers to increase customer loyalty, etc.

#### Material Issue 7

Achieve a sustainable society through partnerships

##### Risks

- Interruption of merchandise supply, deterioration of merchandise quality, or boycotts associated with labor environment or human rights problems or compliance violations in the supply chain, resulting in loss of social trust, etc.

##### Opportunities

- Increase resilience through sustainable raw material procurement
- Provide new merchandise and services in cooperation with business partners, other industries, same industry, etc.

# Response to TCFD Recommendations

Amid climate change issues becoming increasingly serious year by year, it is the responsibility of the Group to continue providing merchandise and services that support the lifestyles of customers even as we face the impact of climate change. The Group's stores in Japan serve more than 22 million customers every day. To fulfill its responsibility to our customers and other stakeholders, the Group will align its approach to the TCFD recommendations, analyze the risks and opportunities presented by climate change, and utilize the analysis to achieve sustainable business management.



## Indicators and Targets Related to Climate Change

In May 2019, the Group formulated its environmental declaration 『GREEN CHALLENGE 2050』. In 『GREEN CHALLENGE 2050』, we have set the following specific themes: reduction of CO<sub>2</sub> emissions, measures against plastic, measures against food loss/waste and for organic waste recycling, and sustainable procurement. The goals are to achieve decarbonization, circular economy, and society in harmony with nature.

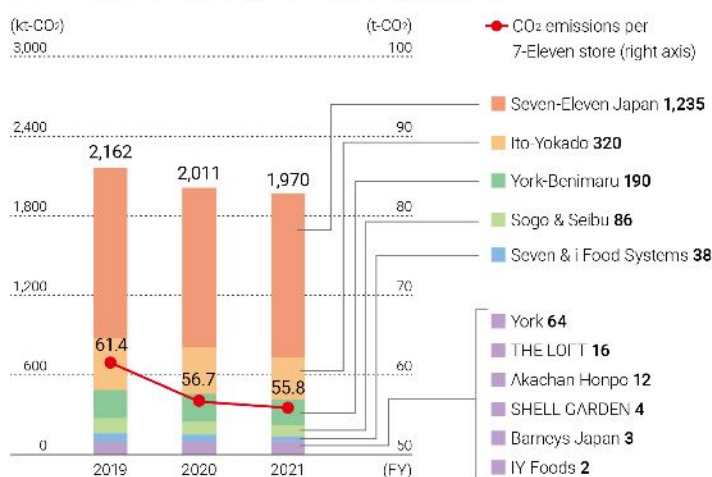
Our specific numerical targets for reducing CO<sub>2</sub> emissions are to reduce CO<sub>2</sub> emissions from the Group's store operations by 50% by 2030 compared to FY2013, and to achieve net zero emissions by 2050. We have also set detailed numerical targets for other themes, and we are promoting initiatives for achieving them and monitoring their progress.

Our scenario analysis, in fiscal year ending February 28, 2022, highlighted the severity of damages that can be caused by natural disasters. In order to curb the risk of natural disasters caused by climate change, we have renewed our determination to limit the temperature increase to 1.5°C by achieving the goals of 『GREEN CHALLENGE 2050』 in collaboration with our stakeholders.

[Environmental data of the Group and operation companies >](#)

[GHG emissions of scope 3 >](#)

**CO<sub>2</sub> Emissions Resulting from Store Operations\***



\* The numbers above the bar graphs are the combined totals for the following 11 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, SHELL GARDEN, IY Foods, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Food Systems, and Barneys Japan.

\* York-Benimaru includes the stores and the merged Life Foods factory.

\* For the Group company calculation conditions, please see the data posted on the website.

\* Calculated based on the "the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual" established in accordance with the "Act on the Rational Use of Energy"/"Law Concerning the Promotion of the Measures to Cope with Global Warming."

## Strategy: Implementation of Scenario Analysis

### Scenario analysis assumptions

The Seven & i Group is undertaking scenario analysis to clarify risks and opportunities created by future climate change and develop strategies to reduce the risks and to expand the opportunities.

In October 2019, the Group participated in the "Project to Support Climate Risk / Opportunity Scenario Analysis in Accordance with TCFD" of the Ministry of the Environment. The analysis covered the domestic store management of SEVEN-ELEVEN JAPAN, which accounts for about 60% of the Group's operating income. We disclosed the results on our website for the first time in June 2020. In fiscal year ending February 28, 2022, we further deepened our analysis by developing substantive countermeasures and quantified risks and opportunities, in addition to our previous analysis.

In our recent scenario analysis, we examined the impacts of two scenarios as of 2030: a "decarbonization scenario (1.5°C–2.0°C)" and a "warming scenario (2.7°C–4.0°C)." The analysis references multiple scenarios given in the International Energy Agency (IEA)'s World Energy Outlook, including STEPS<sup>\*1</sup>, SDS<sup>\*2</sup>, and NZE2050<sup>\*3</sup>, as well as reports and other forward-looking forecasts published by governments and international agencies.

<sup>\*1</sup> STEPS: Stated Policies Scenario. It is one of the scenarios shown in the World Energy Outlook 2019 by the International Energy Agency (IEA). It reflects decarbonization policies and targets that have been so far publicized.

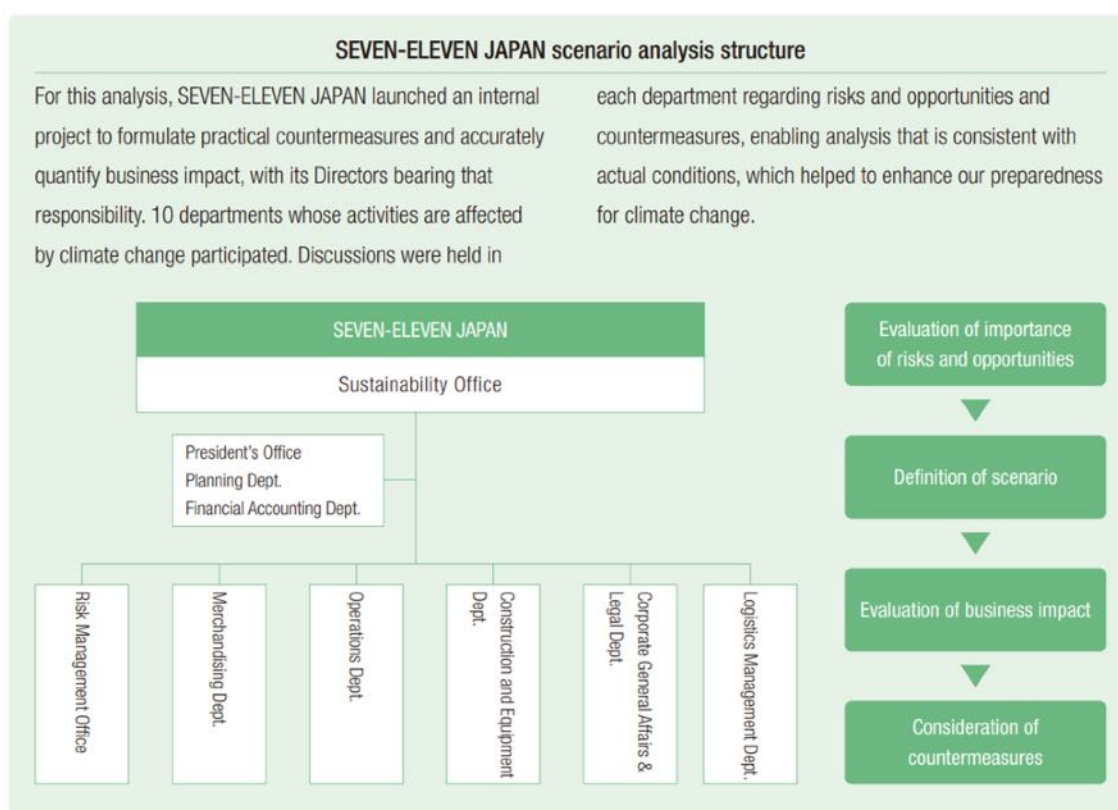
<sup>\*2</sup> SDS: Sustainable Development Scenario. It is one of the scenarios that are used in the IEA's World Energy Outlook 2010 or later. It is a scenario assuming that clean energy policies and investments will increase toward the achievement of the 2° C scenario targeted by the Paris Agreement, and that the energy supply system will progress smoothly toward the achievement of the Sustainable Development Goals.

<sup>\*3</sup> NZE2050 : Net Zero Emissions by 2050. It is one of the scenarios shown in the IEA's World Energy Outlook 2020. It is a scenario that aims at zero emission before 2050 toward the 1.5 scenario beyond the target of the Paris Agreement.

#### ● Analysis assumptions (fiscal year ending February 28, 2022)

<b>Scenario</b>	Decarbonization scenario (1.5°C–2.0°C) / Warming scenario (2.7°C–4.0°C)
<b>Relevant project</b>	Operation of SEVEN-ELEVEN JAPAN stores in Japan
<b>Analysis scope</b>	In addition to the physical impact on stores, the analysis will cover costs in store operations and merchandise supply chain issues (raw materials, factories manufacturing merchandise, merchandise shipping) that significantly affect store operations, and customer behavior
<b>Target year</b>	Impact as of 2030

## Scenario analysis structure



## Significant Risks and Opportunities

Approximately 160 risks and opportunities were submitted as a result of discussions within each department regarding specific risks and opportunities that could affect SEVEN-ELEVEN JAPAN's business. The assessment referenced each risk and opportunity presented in the TCFD recommendations as well as international standards such as SASB. We examined the magnitude of the impact of these risks and opportunities on financial aspects such as sales and profits, as well as strategic aspects such as store operations and merchandise procurement. The following factors were identified as significant risks and opportunities: carbon price, carbon emissions targets and policies in each country, changes in consumer preferences, extreme weather, and changes in precipitation and weather patterns.

## Significant risks and opportunities: business impact assessment and countermeasures

We evaluated qualitatively and quantitatively the impact of the five risks and opportunities that we identified on the business, and developed countermeasures.

### ■ Significant risks and opportunities from climate change: business impact and countermeasures

◎ = High impact risks and opportunities ○ = Somewhat high impact risks and opportunities

Significant risks and opportunities			Concrete examples	Impact	Scenario	Business risks	Business opportunities	Main countermeasures
Transition risks and opportunities  (Decarbonization scenario, 1.5°C–2.0°C)	Policies and regulation	Carbon price	Introduction of carbon tax	Operating cost	• A high carbon tax is introduced and a carbon tax burden is imposed in accordance with CO <sub>2</sub> emission volume • Increased costs are expected throughout the supply chain	◎		<ul style="list-style-type: none"> <li>Promote the reduction of CO<sub>2</sub> emissions through 『GREEN CHALLENGE 2050』</li> <li>Support our business partners in their efforts to save energy and expand the use of renewable energy</li> </ul>
			Fluctuations in retail electricity prices	Operating cost	• Increased electricity expenses due to higher retail electricity prices stemming from the introduction of renewable energy and other factors	◎		<ul style="list-style-type: none"> <li>Develop and install energy-saving equipment at stores</li> <li>Enhance onsite renewable energy installations</li> </ul>
		Carbon emissions targets and policies in each country	Fluctuations in shipping fuel costs	Operating cost	• Fuel costs associated with deliveries decrease amid an increasing shift to EV as delivery vehicles		○	<ul style="list-style-type: none"> <li>Increase adoption of EV and other environmentally friendly vehicles</li> <li>Improve fuel efficiency through implementation of eco-driving training based on data acquired from in-vehicle computers</li> <li>Reduce delivery vehicle fleets by enhancing delivery efficiency</li> </ul>
			Supporting the adoption of EV as delivery vehicles	Operating cost	• Costs incurred due to conversion of delivery vehicles to EV in line with tighter regulations and changes in social environment	○		<ul style="list-style-type: none"> <li>Reduce delivery vehicle fleets by enhancing delivery efficiency</li> </ul>
	Reputation	Changes in consumer preferences	Changes in sales due to sales of sustainable merchandise	Sales	• Costs incurred due to conversion of delivery vehicles to EV in line with tighter regulations and changes in social environment		◎	<ul style="list-style-type: none"> <li>Introduce environmentally friendly containers and packaging and promote plastic bottle collection and recycling, based on 『GREEN CHALLENGE 2050』</li> <li>Expand sales of sustainable merchandise, including the introduction of certified raw materials, based on 『GREEN CHALLENGE 2050』</li> </ul>

Physical risks and opportunities  (Warming scenario, 2.7°C–4.0°C)	Acute	Extreme weather	Damage from natural disasters	Sales / Operating cost	<ul style="list-style-type: none"> <li>Increased frequency and intensity of natural disasters; increased losses due to store and merchandise damage caused by natural disasters, loss of sales due to store closures, restoration costs, etc.</li> </ul>	◎	<ul style="list-style-type: none"> <li>Utilize 7view to build a system enabling information gathering and early recovery in the event of a disaster</li> <li>Prevent flood damage by expanding the installation of watertight panels and guard pipes</li> <li>Continue operations with “Phase Free (a concept of securing an adequate quality of life, regardless of phases such as daily life and emergencies)” facilities, including improved performance of storage batteries</li> <li>Prepare fuel reserves for emergency supply delivery</li> </ul>
			Insurance cost related to natural disasters	Operating cost	<ul style="list-style-type: none"> <li>Increased insurance cost related to natural disasters due to increased frequency and intensity of natural disasters</li> </ul>	◎	<ul style="list-style-type: none"> <li>Mitigate losses using various damage prevention measures</li> </ul>
	Chronic	Changes in precipitation and weather patterns	Price fluctuations of raw materials for agricultural, livestock, and marine products	Operating cost	<ul style="list-style-type: none"> <li>Higher raw material costs and increased purchasing costs due to declines in yields and in quality of agricultural, livestock, and marine products</li> </ul>	◎	<ul style="list-style-type: none"> <li>Disperse production sites of raw materials</li> <li>Secure stable procurement by expanding procurement from vegetable factories, land-based aquaculture, etc.</li> <li>Utilize digital technology and AI</li> </ul>
			Electricity cost for air conditioning in summer	Operating cost	<ul style="list-style-type: none"> <li>Higher average temperatures increase electricity use for air conditioning and result in higher electricity fee payments</li> </ul>	◎	<ul style="list-style-type: none"> <li>Develop and install energy-saving equipment at stores</li> </ul>

\*The scenario with the larger impact was referred to in assessing each business impact.

(Transition risks and opportunities: decarbonization scenario; Physical risks and opportunities: warming scenario)

## (1) Transition risks and opportunities: Decarbonization scenario (1.5°C–2.0°C)

Transition risks and opportunities were considered based on the decarbonization scenario in which various regulations and other measures are introduced to achieve the 1.5°C target. Of these, we estimated the following for the carbon tax, which is projected to have the biggest impact.

For our estimate, we calculated the impact of carbon tax using the assumed tax amount as of 2030 at \$130/ton-CO<sub>2</sub>, which is the maximum amount with reference to the IEA’s “World Energy Outlook 2020.” Based on simple calculation, the carbon tax would amount to ¥22.12 billion when CO<sub>2</sub> emissions increase in line with the growth of business activities. However, if we reduce CO<sub>2</sub> emissions by 50% compared to FY2013 levels by 2030 as stated in our environmental declaration 『GREEN CHALLENGE 2050』, we can expect to reduce carbon taxes by ¥11.97 billion to ¥10.15 billion. Furthermore, we expect that this burden will eventually be eliminated by promoting efforts to achieve our 2050 net zero emission target.

### ● Carbon tax (impact in 2030) Assumption: \$130\*/ton-CO<sub>2</sub>

Item	Business impact
Carbon tax	¥10.15 billion

\* Maximum amount from IEA’s “World Energy Outlook 2020”

## (2) Physical risks and opportunities: Warming scenario (2.7°C–4.0°C)

In terms of physical risks and opportunities, natural disasters caused by extreme weather pose the greatest risk. It is difficult to predict when and where natural disasters will occur, and once they do, they can cause extensive damage. Currently, the occurrence of extreme weather such as heavy rainfall that cause disasters are increasing due to global warming, and this trend would become even more pronounced under the warming scenario. Based on the extent of damage caused by past disasters, we have estimated the flood damage to stores in the Tokyo metropolitan area, where the greatest damage would be expected. Based on hazard maps from the Ministry of Land, Infrastructure, Transport and Tourism, if the Arakawa River were to flood by five meters or more, the resulting damages including store damage, merchandise damage, loss of sales due to closures, and restoration cost, would amount to ¥11.19 billion.

- **Damage from natural disasters** Assumption: Flood damage to stores in the Tokyo metropolitan area (assuming flooding of the Arakawa River)

Item	Business impact
Store damage, merchandise damage, loss of sales due to closures, restoration cost, etc.	¥11.19 billion

\* Estimated based on past flood damage

The increase in raw material cost due to changes in weather patterns, which is expected to have the next largest impact, was estimated as follows. The scope was set based on the composition of purchase amount: rice, laver, and livestock products (beef, pork, chicken, and eggs). Assuming that climate change will lower harvest yields and increase the purchase price accordingly, we estimate that the increase will total ¥5.7 billion. However, this estimate does not include impacts such as those related to imports. Therefore, we assume that the actual amount will be several times larger and are considering countermeasures to address this.

- **Increase in raw material cost (impact in 2030)** Assumption: Estimated cost increase solely due to lower yields from climate change

Item	Business impact
Raw materials cost increase for rice	¥2.23 billion
Raw materials cost increase for laver	¥1.93 billion
Raw materials cost increase for livestock products (beef, pork, chicken, eggs)	¥1.54 billion

\* Yield changes are estimated from data provided by the Ministry of Education, Culture, Sports, Science and Technology; the Ministry of the Environment; the Japan Meteorological Agency; the National Institute for Environmental Studies; the National Agriculture and Food Research Organization, etc.

### **(3) Countermeasures to risks and opportunities**

Each department discussed and organized approximately 50 countermeasures aimed at mitigating risks and expanding opportunities. Through this discussion, we confirmed that the environmental impact reduction activities being promoted based on 『GREEN CHALLENGE 2050』 are effective measures for both the decarbonization scenario and the warming scenario.

In terms of transition risks, we will significantly reduce our carbon tax burden by achieving the CO<sub>2</sub> emission reduction targets of 『GREEN CHALLENGE 2050』. In addition, by actively promoting energy savings in stores and CO<sub>2</sub> emissions reduction measures such as the installation of solar panels, we will mitigate transition risks such as higher electricity fee payments. Furthermore, we will also work to gain support from our customers by promoting 『GREEN CHALLENGE 2050』 including measures against plastic and sustainable procurement initiatives, thereby expanding opportunities for changes in consumer behavior toward sustainable merchandise and services.

In terms of physical risks, we confirmed that we should actively work to reduce CO<sub>2</sub> emissions in order to achieve the goals of 『GREEN CHALLENGE 2050』. In response to the risk of increase in natural disasters, we will build a system for enabling early recovery from disasters by utilizing our 7view information sharing system to monitor the status of stores in real time. We will also steadily implement measures such as the installation of watertight panels to prevent flooding. By implementing efforts that enhance our preparedness for disasters, we will resume store operations quickly so that we can continue to serve our customers in the local community.

With regard to the rising cost of raw materials, we will promote dispersion of production areas and strengthen cooperation with domestic and overseas suppliers to ensure stability in securing raw materials. For example, we are expanding our procurement from indoor vegetable factories, where stable harvests can be expected regardless of weather conditions. Going forward, we will continue with our efforts to reduce the risks associated with rising raw material cost by collecting information on producers and production areas and utilizing advanced technologies such as digital technology and AI.

## Governance Related to Climate Change

The Seven & i Group considers the issue of climate change to be one of the most important issues to be tackled across the Group companies. We have therefore established a governance structure centered on the CSR Management Committee and supervised by the Board of Directors.

The Board of Directors receives reporting from the Sustainability Development Department that is a secretariat for the CSR Management Committee on our efforts for sustainability including climate change issues at least once a year, supervises their progress and the status of achieving the goal, and reviews our policies and efforts as appropriate. In December 2020 and May 2021, the Board of Directors made a resolution to revise our CO<sub>2</sub> emission reduction target in our environmental declaration "GREEN CHALLENGE 2050" to 50% by 2030 and zero emission by 2050 in line with current international trends aiming at the 1.5 °C target and the decision of the Government of Japan for the net zero goal in 2050. In addition, we have added a target of reducing CO<sub>2</sub> emissions set in the environmental declaration "GREEN CHALLENGE 2050" that was formulated in May 2019 to the key performance indicator (KPI) for stock-based compensation as a non-financial indicator in compensation of Directors since fiscal year ending February 28, 2021.

\* For the target level of the amount of CO<sub>2</sub> emissions for each fiscal year as the KPI for the stock-based compensation, it will be the target level for each fiscal year calculated based on the assumption of the actual amount of emission for the fiscal year ended February 28, 2019 to be equally reduced for each fiscal year to achieve the target level for the fiscal year ending February 28, 2031 (reducing emissions from Group store operations by 50% compared to the fiscal year ended February 28, 2014).

The CSR Management Committee, chaired by Representative Director and President of Seven & i Holdings, meets twice a year, attended by CSR managers from Group companies and managers from related divisions at Seven & i Holdings. Under the CSR Management Committee, the Environment Subcommittee has been established as a subcommittee to deal with climate change issues. The Environment Subcommittee consists of managers from the environmental departments of operating companies. In addition, when we announced the environmental declaration "GREEN CHALLENGE 2050" in May 2019, we established CO<sub>2</sub> Emissions Reduction Team to create innovations across the Group to reduce CO<sub>2</sub> emissions. This team is headed by executive officers or higher from responsible departments at our main operating companies.

The CSR Management Committee receives reports on trends in indicators related to climate change issues, such as CO<sub>2</sub> emissions, and on initiatives mainly for mitigation measures. The Committee approves measures implemented by the subcommittees and each group company, and provides necessary advice. The progress of such sustainability-related initiatives, including those related to climate change, is reported to the Board of Directors at least once a year.

### [Climate change countermeasures >](#)

Governance structure related to climate change



● Meetings and roles related to climate change

Meeting	Role	Member	Main activities for FY2020–FY2021
Board of Directors	<ul style="list-style-type: none"> <li>• Receive reports at least once per year regarding progress on climate change issues and achievement of targets; supervise efforts</li> <li>• Review and decide on policies and important matters</li> </ul>	<p>Directors</p> <p>Audit &amp; Supervisory Board Members</p> <p>Members include internal and Outside Directors with extensive knowledge and experience in sustainability</p>	Resolved to revise CO2 emission reduction target to 2050 net zero in the environmental declaration 『GREEN CHALLENGE 2050』 (May 2021)
CSR Management Committee	<ul style="list-style-type: none"> <li>• Meet twice a year</li> <li>• Share trends in climate change-related indicators (such as CO2 emissions), and mitigation and adaptation measures</li> <li>• Approve and advise on initiatives implemented by the Environment Subcommittee and Group companies</li> </ul>	<p>Chair: Representative Director and President of the Company</p> <p>Members: CSR department managers of Group companies and managers from CSR-related divisions of the Company</p>	<ul style="list-style-type: none"> <li>• Confirm status of response to TCFD recommendations</li> <li>• Share climate change mitigation and adaptation measures among Group companies</li> </ul>
Environment Subcommittee	<ul style="list-style-type: none"> <li>• Subcommittee of CSR Management Committee</li> <li>• Meet twice a year</li> <li>• Promote response to climate change issues</li> <li>• Promote response to TCFD recommendations</li> </ul>	<p>Chair: Executive Officer in charge of Sustainability Development Department of the Company</p> <p>Members: CSR department managers and managers of departments involved in climate change response measures at Group companies</p>	Promote activities and share information based on the three initiatives of energy savings, energy generation, and procurement of renewable energy
CO2 Emissions Reduction Team	<ul style="list-style-type: none"> <li>• Meet as required</li> <li>• Share information among Group companies to reduce CO2 emissions</li> <li>• Implement Groupwide measures</li> </ul>	<p>Leader: Executive Officer in charge of Construction Division of a Group company</p> <p>Members: Staff in charge at CSR departments and staff in charge at departments involved in climate change response measures at Group companies</p>	Implement Groupwide measures such as support for solar power generation equipment and joint purchasing of LED lighting

## Risk management

Seven & i Holdings has established a comprehensive risk management system with the Risk Management Committee at its core, based on the basic rules for risk management. The risks related to climate change are also managed under this risk management system. Each Group company identifies its own risks twice a year based on the Group's common risk classification, and quantifies them taking into account their degree of impact and likelihood of occurrence. The quantified risks and measures to deal with them are compiled into the risk assessment sheets and submitted to the Corporate Governance Management Department (Risk Management Committee Secretariat) of the Company. The risk assessment sheets include risks related to climate change such as CO<sub>2</sub> emission regulations.

The Risk Management Committee, which meets twice a year, comprehensively identifies the Group's risk situation based on the risk assessments and countermeasures submitted by each company, and continuously monitors its risk management system and countermeasures.

Judgments concerning material risks for the Group are made based on a comprehensive evaluation of factors such as damage occurring when the risk materializes, timing of risk manifestation, degree of impact on the Group's growth strategy, and the status of responses to current risks.

The status of such risk management and judgments concerning material risks are reported annually to the Board of Directors.

## Future Responses to TCFD Recommendations

We have deepened our scenario analysis for SEVEN-ELEVEN JAPAN, which accounts for about 60% of the Group's operating income. We believe that our analysis confirms the resilience of the business. Going forward, we will steadily implement measures to address the situation. We will also increase the number of operating companies subject to our analysis, and take the entire supply chain into perspective as we identify risks and opportunities quantitatively, while also developing and implementing practical countermeasures. We will work on initiatives to curb the temperature increase to less than 1.5°C at 2100 in order to leave a prosperous environment of our planet to future generations.

# Seven & i Group Material Issues

Seven & i Holdings has conducted dialogue with various stakeholders and in 2014 determined material issues that should be addressed so that the entire Group can respond to the expectations and demands of stakeholders. Over the seven years since the Group identified the material issues, social issues related to our business activities and society's demands have become more diverse. To address these issues appropriately, the Group has revised those material issues in March 2022 through dialogue with various stakeholders. We will introduce the revision process here.

## Purpose of Material Issues Revision

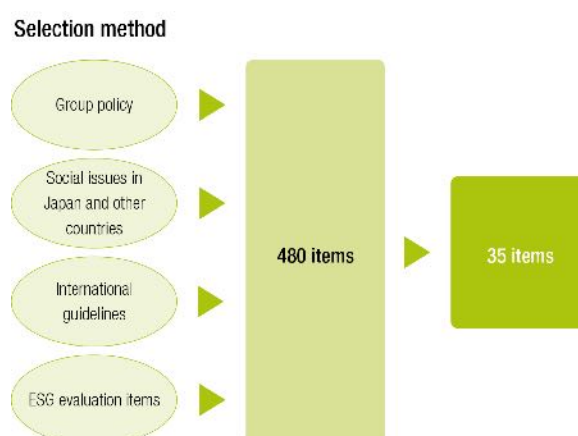
- Concentrate on material issues that Seven & i Group should address in particular, and respond appropriately as the scope of its business expands and related social issues and social demands become more diverse.
- Maximize group synergy by clearly defining the direction for the creation of social and economic value for the entire group.
- Promote sustainability management and information disclosure in line with global standards.

## Steps for Revising Material Issues (for the revision in March 2022)

### STEP 1

#### Selection of social issues

As part of our review of material issues, we selected social issues to be considered. In addition to summarizing and consolidating the social issues in the previous identification of material issues, we added related items including the SDGs, the Global Risks Report, the SASB Standards and other international frameworks, issues raised in U.S.-Japan governmental and other discussions, the consideration of the external environment in the Medium-Term Management Plan, and evaluation items used by ESG rating agencies.



## STEP 2

### Survey of more than 5,000 stakeholders

After selecting 35 items from the possible 480 social issues, we carried out a survey of stakeholders on the issues the Group should address. The survey was expanded from the time the material issues were initially identified in 2014 to cover nine companies\*, including the overseas operating companies and SEVEN-ELEVEN JAPAN franchise store owners. More than 5,000 surveys were completed and returned, and these included more than 1,000 comments.

\* Seven-Eleven Japan, 7-Eleven, Inc., Ito-Yokado, York-Benimaru, York, Sogo & Seibu, Seven & i Food Systems, Seven Bank, Seven & i Holdings

Stakeholders	Scope
Customers	Customers of operating companies
Business partners	Operating companies' business partners
Shareholders and investors	Shareholders, investors, and sell-side securities analysts covering Seven & i Holdings
Franchisees	SEVEN-ELEVEN JAPAN franchise store owners
Employees	Employees of Seven & i Holdings and operating companies

## STEP 3

### Dialogue with experts

The Group's three flagship operating companies (SEVENELEVEN JAPAN, Ito-Yokado, and Sogo & Seibu) and Seven & i Holdings engaged in dialogue with knowledgeable experts as representatives of stakeholders. From the survey results, we identified their unreserved opinions about the Group's role in society and the social issues that the Group should address. (File photos of the Seven & i Holdings dialogue participants)

**Seven & i Holdings Management**

		
<b>Ryuichi Isaka</b> Representative Director and President	<b>Katsuhiro Goto</b> Representative Director and Vice President	<b>Junro Ito</b> Director and Managing Executive Officer General Manager of the Corporate Development Division

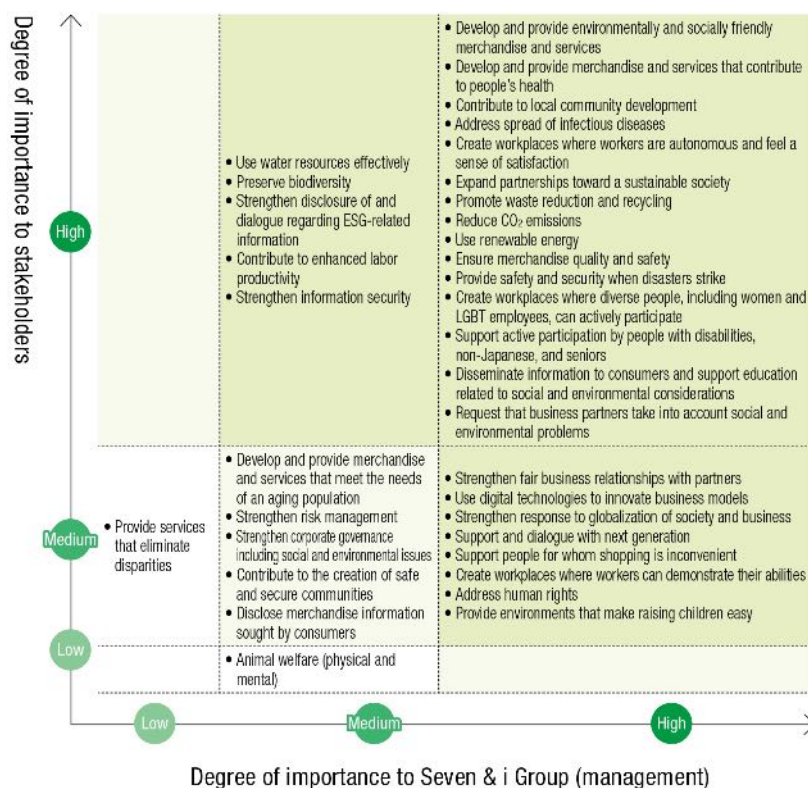
**Experts**

		
<b>Toshio Arima</b> Chairman of the Board Global Compact Network Japan	<b>Ken Shibusawa</b> Chief Executive Officer Shibusawa and Company, Inc.	<b>Manami Yamaguchi</b> Representative Director Japan Sustainable Labels Association

#### STEP 4

### Identification of new material issues, taking into account opinions of stakeholders and the Group management

Using the stakeholder survey results, we created a matrix for each of the nine companies, using the degree of importance to stakeholders as the vertical axis and the degree of importance to the companies as the horizontal axis. We then consolidated these into a Group matrix and identified seven material issues, taking into account the survey comments, dialogues with experts, and interviews with management of other operating companies. We have adopted the new material issues using wording that makes it easy to understand their correlation with concrete initiatives, so that Group employees can pursue them “on their own.”



#### STEP 5

### Risks and opportunities related to material issues

As we identified the material issues, we also consolidated the related risks and opportunities based on opinions including the survey of stakeholders and dialogue with experts. In addition to creating new initiatives to address the material issues, we are striving to reduce risks with the aims of achieving a sustainable society and sustainable corporate growth.

#### STEP 6

### Incorporation into action plans

To place the newly identified material issues as a basis of management and ensure their effectiveness, the Group is formulating concrete initiatives to address the material issues through each operating company's business. Using a process similar to that of the SDG Compass\*, we are integrating the new material issues into management by formulating action plans to achieve our targets and working to realize those issues through our businesses.

\*SDG Compass: A guide for how companies can work toward achieving the SDGs prepared jointly by the Global Reporting Initiative, the United Nations Global Compact, and the World Business Council for Sustainable Development

## Seven & i Group Material Issues



### Material Issue 1 >

Create a livable society with local communities through various customer touchpoints



### Material Issue 2 >

Provide safe, reliable, and healthier merchandise and services



### Material Issue 3 >

Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts



### Material Issue 4 >

Achieve a society in which diverse people can actively participate



### Material Issue 5 >

Improve work engagement and environment for people working in Group businesses



### Material Issue 6 >

Create an ethical society through dialogue and collaboration with customers



### Material Issue 7 >

Achieve a sustainable society through partnerships

## Material Issue 1 Create a livable society with local communities through various customer touchpoints

### Approach to the Material Issue

The Seven & i Group operates approximately 22,700 stores nationwide and has other diverse touchpoints with customers, including home delivery and outside sales. We believe it is important to leverage the strengths of the Group to provide a livable society together with local communities and neighborhoods through all customer touchpoints, including our stores. Resolving issues such as aging and shrinking populations is an important social role that we are constantly called upon to play, as well as a business opportunity in the form of new customer needs. We continue to make efforts to be close to each and every one of our customers as their most familiar company.

### Background to the Material Issue

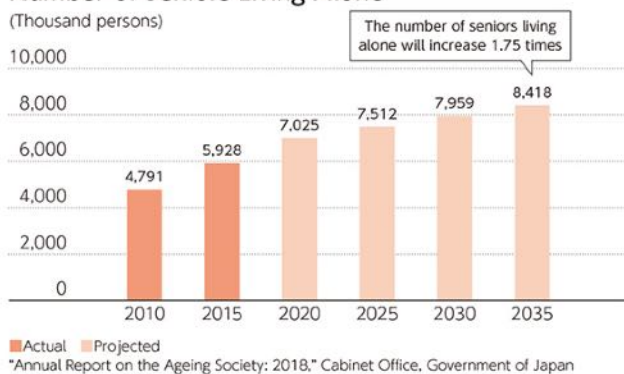
#### Changes in Shopping and Other Services Due to the Hollowing Out of Social Bases Following Aging Society, Declining Population, and the Advancement of the Digital Society

Japan is experiencing an aging society and declining population trends. By the year 2060, the national population will dip below 90 million and nearly 40% will be seniors\*. The number of seniors living alone continues to increase each year, with the number expected to rise 1.75 times from the level in 2010 by 2035. The hollowing out of social infrastructures to support daily life following the declining population also stands as one of the major social issues. The number of seniors living alone who have a disadvantage in shopping due to a lack of walkable access to fresh food stores increases year by year.

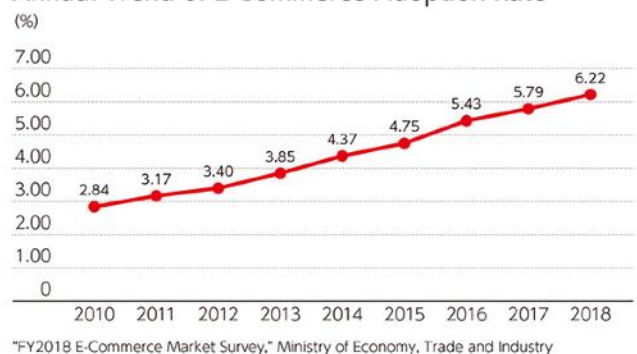
At the same time, due to the spread of digital devices and the establishment of communication infrastructure, customers' shopping habits and required services are also changing, such as in the methods for placing orders, payment, and picking up orders.

\* Source: "Population Projections for Japan (2017)," National Institute of Population and Social Security Research

#### Number of Seniors Living Alone



#### Annual Trend of E-Commerce Adoption Rate



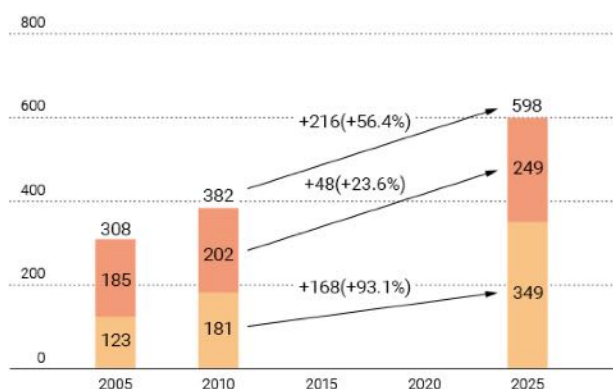
### Estimated future population of those without automobiles living 500 meters or more from a store (aged 65 years or over)

Urban areas Agricultural areas

Stores selling fresh foods

(10,000 persons)

1,000

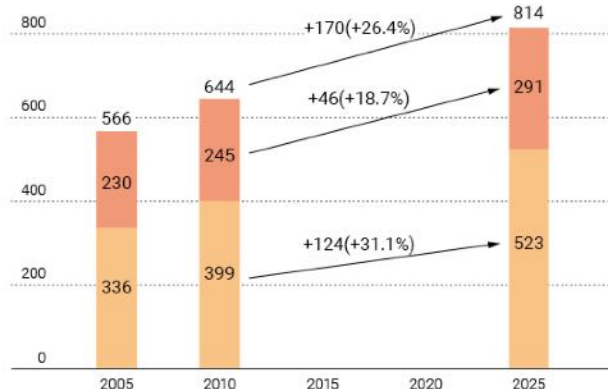


Source: Policy Research Institute, Ministry of Agriculture, Forestry and Fisheries

Food supermarkets, etc.

(10,000 persons)

1,000



## Contribution to SDGs

By addressing this material issue, the Seven & i Group is providing social infrastructure such as public services to a variety of people, including seniors, and contributing to the achievement of Sustainable Development Goals 9 and 11.



## Seven & i Group's Initiatives

Shopping Support >

Reducing Housework >

Providing Services to a Wide Range of Customers >

Implementing Crime Prevention Measures for Local Communities >

## Material Issue 1 Create a livable society with local communities through various customer touchpoints

### Shopping Support

Seven & i Group is working to support people who feel inconvenience when shopping by utilizing the infrastructure it has developed, such as store networks and logistics and information systems, to create new services for shopping support.

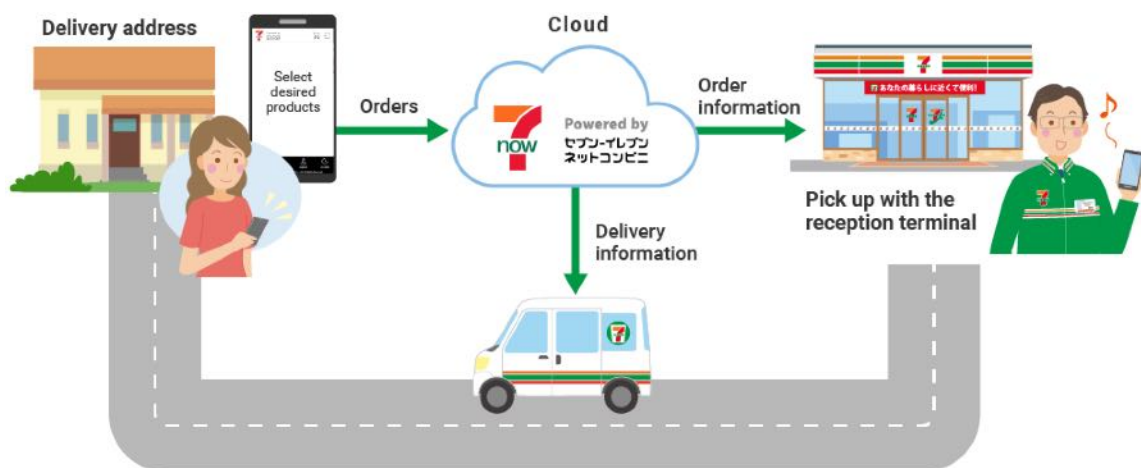


### Store Product Delivery Service

Seven & i Group provides a service in which products ordered online or by telephone are delivered to specified locations as well as in-store sales to help local residents do their everyday shopping more comfortably.

#### "7NOW" Seven-Eleven Online Convenience Stores

Aiming to realize "Anytime, Anyplace, Right Away," Seven-Eleven Japan provides 7NOW, the Seven-Eleven online convenience stores service in which orders made by customers on their smartphones for any desired products from about 2,800 products sold in stores are delivered to specified locations in as little as 30 minutes. Demonstration testing has been conducted at about 1300 stores in certain areas in Hokkaido, Tokyo, and Hiroshima Prefectures as of the end of May 2022, and it aims to expand this service to 5,000 stores by the end of February 2023.



#### Home Delivery Services of "Seven RakuRaku Delivery"

Seven-Eleven Japan offers the Seven RakuRaku Delivery service, which provides home delivery for nearly every product sold in its stores. Orders can be placed in advance by telephone or through other means. As of February 28, 2022, the service operates a fleet of some 487 "COMS" ultra-small electric vehicles and Seven-Eleven Japan is also moving forward with the introduction of around 540 power assisted bicycles.



Seven RakuRaku Delivery

## Online Supermarkets

For food and household goods, Ito-Yokado has launched an online supermarket at 105 stores (as of the end of February 2022), by which products that are ordered on PCs or smartphones are delivered from nearby stores within specified time slots. In December 2014, Ito-Yokado started offering a service to support parents raising children. Parents who present their maternity notebook issued within the last four years and register for the online supermarket can use a discounted delivery fee for four years from the registration date. Furthermore, in order to improve the efficiency of deliveries as well as meet the diversifying needs of our customers for pick-up options, Ito-Yokado also enhanced its non-contact delivery and drop-off services. As the first such service in Japan, 7&i Locker Pick-Up was launched in March 2020 with the temperature ranges of refrigeration, freezing, and room temperature. This is a service in which products ordered through the online supermarket are stored in specified lockers separated into room, refrigeration, and freezing temperatures. As of the end of February 2022, the 7&i Lockers have been installed in a total of 10 locations in 7-Eleven, Ito-Yokado, and other stores.



Filling an online supermarket order



A 7&i Locker installed in front of a store

## Mobile Store Service

In recent years, as the birthrate falls, society ages, and nuclear families become more prevalent, retail stores and elsewhere that sell such things as fresh food have decreased, and this has led to a growing number of people who feel that everyday shopping is inconvenient. Seven & i Group has launched a mobile store service in order to solve these kinds of social issues.

### Seven Anshin Delivery

As of the end of February 2022, Seven-Eleven Japan operates 109 vehicles in 40 prefectures for its Seven Anshin Delivery mobile store service. Moving mainly through areas that are inconvenient for everyday shopping or have a large number of seniors who find it difficult to use transportation, these uniquely developed light trucks equipped with store facilities carry about 350 items that include food and household goods and range from frozen products to those at room temperature. Plans call for this service to be expanded further in the future to fulfill the needs of customers.

### Ito-Yokado Tokushimaru

In collaboration with TOKUSHIMARU inc., Ito-Yokado started operating vehicle No. 1 of the mobile store named Ito-Yokado Tokushimaru from the Minami Osawa store in April 2020. As of the end of February 2022, it had started operation of 75 trucks in 45 municipalities. Ito-Yokado is supporting customers who feel inconvenience by shopping through its mobile supermarket initiative, in which about 400 products totaling 1,200 items are loaded into mobile store vehicles and sold near the residences of customers. Ito-Yokado is also proceeding with enterprises related to neighborhood watch activities in collaboration with local communities. It is committed to expanding these efforts with the target of having 100 vehicles operating in 50 municipalities during the fiscal year ending February 28, 2023.



Seven Anshin Delivery



Ito-Yokado Tokushimaru

## Store Pick-Up Service

Seven-Eleven Pick-Up Service is a service in which products ordered online can be picked up at the 7-Eleven store of your choice. Whether it is near your residence or workplace, at a business trip destination or elsewhere, late at night or early morning, pick-ups can be made whenever you like at 7-Eleven stores nationwide (some stores do not provide this service). In addition, with the expansion of the electronic commerce market and other factors, there is an increasing trend in the volume of parcel deliveries, and at the same time, labor shortage in the transport industry is growing more severe. Allowing ordered products to be picked up at nearby 7-Eleven stores also contributes to the reduction of redeliveries and the CO<sub>2</sub> emitted through these deliveries.

## Material Issue 1 Create a livable society with local communities through various customer touchpoints

### Reducing Housework

In order to respond to customer demand for saving shopping time and reducing the hassle of housework, Seven & i Group is developing and selling cooked meal products for those who feel it a burden to prepare meals. These products are based on the concept of individual servings, small portions, and easy-to-preparing.



### Developing Products and Services that Make Meal Preparation Easy

Ito-Yokado sells the Chef's RECIPE series, which can be easily prepared using a frying pan or microwave, at the fresh meat and fish sales sections. The selection for cooking with a frying pan\* offers meat and fish that have been cut and seasoned. These meals can be easily cooked with a frying pan in a short time. Customers can also cook them in considering nutritional balance, such as frying them with different vegetables of one's preference. The frozen delicatessen series Frozen Deli, which is convenient for customers when they are busy, is also available at the delicatessen sales section. For frozen foods, EASE UP series are offered as authentic individual-sized meals that can be enjoyed just by microwaving, cooking in a pot or frying pan, or heating up in hot water.

※The menu changes according to the seasons.



EASE UP "Kalbi Gukbap"

## Material Issue 1 Create a livable society with local communities through various customer touchpoints

### Providing Services to a Wide Range of Customers

Seven & i Group is expanding services and supporting shopping to enable easy use by all customers, including senior citizens, people with disabilities, and foreign residents whose numbers are increasing yearly.



### Training Dementia Supporters

Seven & i Group supports the creation, localities where it has opened stores, of neighborhoods where residents who suffer from cognitive impairment and their families can live with security. To this end, we are encouraging our employees to attend training courses for “dementia supporters.” Each Group company holds training courses, and the number of the supporters across the 24 Group companies\* as of the end of February 2022, is 41,284 in total.

In March 2022, Ito-Yokado was the only retailer to announce the “Declaration of Dementia Barrier-free by the Japan Public-Private Council on Dementia” indicating policies and guidelines for promoting dementia barrier-free. The purpose of this declaration is to provide a store environment where persons with dementia and their families can use products and services with peace of mind when they visit our stores, and to foster momentum for a dementia barrier-free society by promoting joint initiatives with corporations and organizations. In addition, in the declaration for dementia barrier-free, Ito-Yokado has set the goal of increasing the percentage of “dementia supporters” among all employees to “50% by FY2022, 75% by FY2023, and 100% by FY2024.” Notably, Ito-Yokado had in excess of 12,000 such supporters in fiscal year ending February 28, 2022.

We will continue to strengthen our efforts to develop “dementia supporters.”

\* 24 Group companies are working on this initiative (accounting for 98% of the Group sales in Japan).

#### Number of Dementia Supporter Training Course Takers

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 (Target)
Cumulative participants	29,623	34,110	37,550	38,383	41,284	42,000



Dementia supporter training

## Marketing Products that Support Senior Lifestyles

According to the Cabinet Office, as of October 1, 2021, the percentage of the total population of persons aged 65 years old and over (elderly ratio) was 36.21 million, accounting for 28.9% percent of Japan's population. In addition, it is forecast that this percentage will reach 35.3% by 2040. In this context, Seven & i Group is promoting the development and retail of products, and proposing lifestyle solutions, aimed at the elderly.

### Development of "Anshin Support Shop"

Ito-Yokado is developing the Anshin Support Shop at 96 stores, which carries an extensive selection of apparel, daily essentials, and foods, including products that support the health and lifestyles of seniors and care products (as of the end of February 2022). In addition to explanations of products features by sales staff with specialized knowledge on caring including counselors specialized in welfare equipment, these staff are also able to deal with consultations regarding nursing care and welfare issues in general (about 250 counselors as of the end of February 2022).

In addition, Ito-Yokado is working to develop products in response to customer opinions and comments. Products such as the "Petite Size One-Touch Tape Pajamas" with specifications tailored to the height of the elderly, and the "Triangular-fit Walking Stick" which prevents finger pain with its triangular grip customized to fit the palm and its original-design curved arm, have been well-received by customers.

> [For more details about Anshin Support Shop \(in Japanese\)](#) 



Anshin Support Shop

### Permanent Installation of "Living Design Salon"

Sogo & Seibu has teamed up with the Caring Design Association to establish a permanent "Living Design Salon" at the Seibu Ikebukuro Store for supporting living and home design for customers aged in their 50s and above. The facility proposes appealing homes that casually incorporate care and support features for the physical changes that occur with age, aiming to enable people to live in their own way even as they grow older.

> [For more details about Living Design Salon \(in Japanese\)](#) 

## Financial Services for Foreign Residents

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Seven Bank provides the “Overseas Remittance App” available in nine languages for customers who make use of overseas remittance services. In 2016, it started concluding agreements such as agreements for promoting multicultural coexistence with local governments in areas with high concentrations of foreign residents. The agreements are mainly intended to disseminate local information through the app. Information about living in these areas, disaster information, and so forth is disseminated in multiple languages through the app to residents to help customers live safely and conveniently in Japan. As of the end of March 2022, we have concluded agreements with 13 local government organizations.

In addition, Seven Global Remit, a subsidiary of Seven Bank, offers an overseas remittance service to Vietnam, Indonesia, and the Philippines via the “Sendy” smartphone application to meet the needs of customers who want to send money easily, conveniently, and with affordable fees. This allows cash to be charged (deposited) at more than 26,000 Seven Bank ATMs throughout Japan, to easily remit money overseas from a “Sendy” application account.

## Development of ATMs Easy to Use Even for Customers with Disabilities

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Seven Bank is making daily progress on the ATM functions and services so that all customers can use them with confidence. With its voice guidance service, which is mainly for customers with visual disabilities, users can make a transaction by following voice instructions delivered through an intercom phone installed on the ATM to operate the buttons on the phone. Customers with the cash cards of over 500 affiliated partner financial institutions can use this service. The system of voice guidance was developed after soliciting feedback from people with visual disabilities and testing its operability. Furthermore, ATMs in 7-Eleven stores are installed with cane and drink holders to make them easy for anyone to use.



Voice guidance service



ATM with cane and drink holders

## Material Issue 1 Create a livable society with local communities through various customer touchpoints

### 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 so that its facilities can provide customers and locals with safety and security.



#### Safety Station Activities

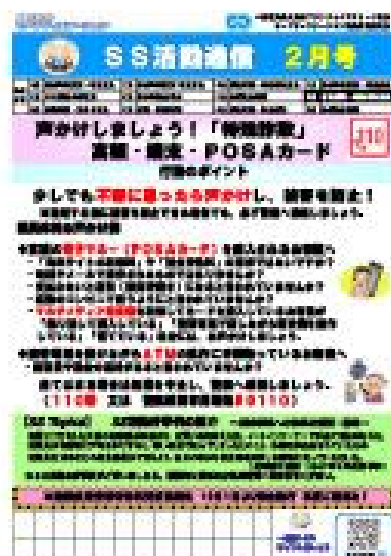
7-Eleven stores take advantage of the fact that they stay open 24 hours a day every day of the year to conduct Safety Station activities (SS activities). These involve looking out for the safety and security of the community through such activities as providing a place for women and children to seek 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 those under the age of 20 years, for example, and Seven-Eleven Japan 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 those younger than 20 years old



An Safty Station (SS) Activity Notice



➤ [The “SS Space” on the Japan Franchise Association \(JFA\) website \(in Japanese\)](#)

## Material Issue 2 Provide safe, reliable, and healthier merchandise and services

### Approach to the Material Issue

The Seven & i Group handles about 3 million items of products at each company's stores, and also develops a variety of products as private brands. Because of this, we are committed to ensure the quality of our products, including their safety and reliability. We also recognize that it is significant to always put ourselves in the customer's shoes and to take into consideration the health of our customers by providing nutritionally balanced products, using reliable raw materials, and reducing the use of additives. These efforts not only earn the trust of our customers but also create new business opportunities to meet customers' needs. As a Group that handles many of the necessities of our customers' lives, we continue to promote these initiatives.

- Relevant policy

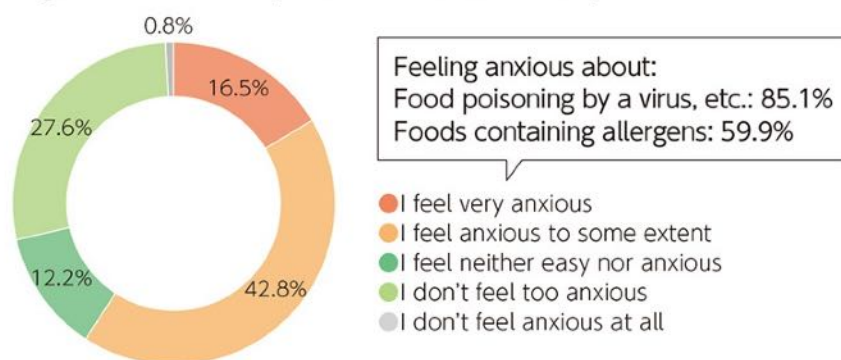
[Quality Policy](#) >

### Background to the Material Issue

#### Food safety

With the globalization of food and recent incidents and accidents that threaten food safety and security, there has been growing interest in food safety, including the issues of controlling raw materials, food additives, and displaying information about allergens. Answers to a survey by the Cabinet Office showed that about 60% of people feel uneasy about food safety, and there is a need to further strengthen their quality control systems for companies.

#### Degree of Anxiety about Food Safety



Food Safety Commission: Results of the 2019 report entitled "Awareness About Food Safety"

## Gap between average life expectancy and healthy life expectancy

Although the average life expectancy is increasing year by year, there is a gap of about 10 years between healthy life expectancy, which is the period during which people can live without being limited in their daily lives by health problems, and the average life expectancy. It is important to extend healthy life expectancy and narrow the gap between healthy life expectancy and average life expectancy.

### Trends in life expectancy and healthy life expectancy\*

\*Average length of life that an individual lives without limitation in daily activities

● Life expectancy ● Healthy life expectancy

#### Male

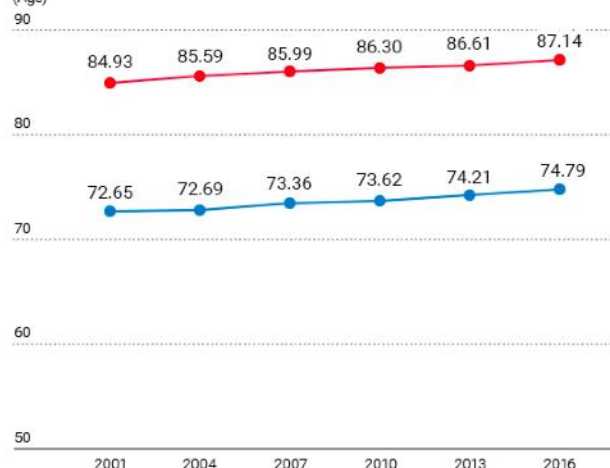
(Age)



Source: Ministry of Health, Labour and Welfare

#### Female

(Age)



## Contribution to SDGs

By addressing this material issue, the Seven & i Group will provide products and services that support safe, secure, and healthy lifestyles and contribute to achieving goals 2 and 3 of the Sustainable Development Goals.



## Seven & i Group's Initiatives

Building a Quality Control System >

Food Safety and Reliability >

Health and Nutrition >

## Material Issue 2 Provide safe, reliable, and healthier merchandise and services

### 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

Each company in Seven & i Group handles products whose safety has been ensured through checks by the quality control department before purchasing them. Seven & i Holdings is working to establish quality control systems, recognizing that a product incident at one Group company affects the entire Group. Quality control managers at the development division for the Seven Premium line of Group private brand products, 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 have established the following foundation for quality control.

Establishing a Foundation for Quality Control

1. A system in which specialized quality control departments can objectively determine responses to incidents
2. A system for reporting a serious incident quickly to the Representative Director and President
3. Guidelines for judging whether to recall products or continue sales if a serious incident occurs

### Quality Control Training for Employees

Seven & i Group provides quality control training to its merchandisers that handle product development and procurement as well as staff in charge of stores to prevent any accidents and incidents pertaining to products. In the fiscal year ended February 28, 2022, we revised training content, and are developing additional educational content with a view to cultivating future personnel capable of leading the field of quality management.

For those who handle apparel and household items, the entire Group conducts textile training and Pharmaceuticals and Medical Devices Act training through external inspection organizations. Textile training is for those handling textile products (apparel, bedding, etc.), basic textile training is for newly appointed staff, and textile material training and textile sewing training are for existing staff. In addition to knowledge about laws and regulations, such as Household Goods Quality Labeling Act, this training allows them to learn about the process that progresses from thread to textile/knitting, dyeing, sewing, and inspection, as well as process management for manufacturing factories, case studies on defective product incidents, and more. Through this training, we aim to provide our customers with safe and high-quality products. In addition, we are working on expanding training related to sustainable materials and product-specific training curricula with the goal of enhancing content and nurturing a system that enables employees to acquire more specialized knowledge.

## Results of training held by Seven & i Holdings in the fiscal year ended February 28, 2022

Training Details	Participants	Ratio	Target※1
Training on labeling of apparel	165	95.2%	Those handling procurement of apparel and household goods, those in charge of quality control
Training on apparel design	173	82.7%	Those handling procurement of apparel and household goods, those in charge of quality control
Knowledge training on processing, inspection, and factories	178	68.5%	Those handling procurement of apparel and household goods, those in charge of quality control
Knowledge of bedding	71	73.2%	Those handling procurement of apparel and household goods, those in charge of quality control
Knowledge training on interiors	78	73.1%	Those handling procurement of household textile products, such as interiors and towels, those in charge of quality control
Knowledge training on accessories	124	50.8%	Those handling procurement of apparel and household goods, those in charge of quality control
Knowledge training on functional materials	231	94.8%	Those handling procurement of apparel and household goods
Discussion Training on apparel	19	100.0%	Those handling procurement of apparel and those in charge of quality control
Discussion Training on household goods	11	100.0%	Those handling procurement of household goods and those in charge of quality control
Knowledge of pots and frying pans	49	81.6%	Those handling procurement of household goods and those in charge of quality control
Knowledge of plastic goods	77	85.7%	Those handling procurement of household goods and those in charge of quality control
Knowledge training on sustainable materials	331	97.0%	Those handling procurement of apparel and household goods, those in charge of quality control

※1 Target operating companies for apparel and household items training: Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, Akachan Honpo, THE LOFT, Nissen, and Barneys Japan

## Acquiring Quality Management Certification

Seven & i Group has sought and attained various quality management certification in order to strengthen quality management for products such as foodstuffs, clothing, and household goods.

### Participation in the Japan Food Safety Management Association

Seven & i Holdings became one of the founders of the Japan Food Safety Management Association (JFSM)<sup>※1</sup>, established in 2016 as the primary Japan-created operating body for food product safety management standards, along with food product manufacturers both in Japan and overseas. We did this in partnership with food-related companies, the Ministry of Agriculture, Forestry and Fisheries, and university researchers with the goal of responding to the increased handling of imported foods (globalization) in Japan and improving domestic food safety management. By utilizing the JFS standard<sup>※2</sup> developed by this association, we aim to improve food quality as a retail group that is building a supply chain. Currently, eight Group companies<sup>※3</sup> that handle food products have become JFSM members and are promoting the improvement of food safety management levels within the Group. In addition, we are proceeding with the acquisition of JFS standard certification and conformance certification for factories that manufacture the Group's "Seven Premium" private brand products and fresh foods such as Seven-Eleven's boxed lunches, rice balls, sandwiches, delicatessen items, noodles, and bread.

※1 An organization that creates and operates a Japanese food safety management standard (the JFS standard) and its certification/conformance certification system.

※2 A Japanese food safety management standard developed by JFSM that conforms to international standards that include Codex HACCP.

※3 Seven-Eleven Japan, Ito-Yokado, York Benimaru, York, SHELL GARDEN, Sogo & Seibu, Gottsuobin, Seven & i Food Systems

### Obtaining Certification of Food Safety Management Standards that Conform to International Standards

Original products such as boxed lunches and delicatessen items sold at Seven-Eleven stores are made by daily manufacturers who are members of Nihon Delica Foods Association (NDF)<sup>※1</sup>. In October 2018, NDF revised the NDF-HACCP Certification System to the NDF-FSMS certification system<sup>※2</sup> in response to the institutionalization of HACCP for the international standardization of food sanitation management. In addition, in March 2020, all factories that manufacture original products such as boxed lunches, rice balls, sandwiches, delicatessen items, noodles, and breads, obtained certification and conformance certification. (Number of the factories as of the end of March 2022: 176)

Similarly, we are working on obtaining certification and conformance certification related to food safety management standards that conform to international standards that include Codex HACCP, such as ISO 22000, FSSC 22000, and the JFS standard, at all manufacturing factories that produce the Group's "Seven Premium" private brand products. (As of the end of March 2022, 99% of the manufacturing factories have acquired certification.)

※1 The NDF was formed in 1979 to improve hygiene quality management levels at daily food manufacturing facilities and to eliminate region-based quality differences.

※2 FSMS: The Food Safety Management System (FSMS) is a system designed to manage potential food safety hazards in order to ensure delivery of safe and reliable foods to consumers.

➤ [For more details about Seven-Eleven Japan initiatives \(in Japanese\)](#) 



## Acquisition of GAP Certification

Ito-Yokado is recommending the acquisition of Good Agricultural Practice (GAP) certification, an agricultural production process management method, in order to further improve the level of our quality management of its private brand “Traceable Vegetables with Producer's Faces” and “Traceable Fruits with Producer's Faces.” GAP certification sets standards that should be implemented in day-to-day farm management to improve safety and protect the environment. Certification has been acquired by 226 producers as of the end of February 2022, 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 in March 2018. Certification has since been expanded to the York-Benimaru Head Office. Going forward, York-Benimaru is committed to expanding the scope of certification to include delicatessen factories of the former Life Foods Co., Ltd., which merged in March 2022. In addition, 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 local customers regarding food products and enhance product quality in all stages from procurement to sale.

In addition, at York, in April 2020, the York Mart Nerima Heiwadai store passed the one-year renewal of the Tokyo Metropolitan Food Sanitation Meister System, considered a step toward ISO certification.

IY Foods, a Group food manufacturer, acquired ISO 22000 certification in August 2016.



## Hygiene Management Based on ISO 9001

Seven & i Food Systems' QC Office, the hygiene management department, has acquired the ISO 9001 international standard concerning quality management. Utilizing this system, the company is working to boost both hygiene management and employee training (application scope: Planning and Provision of Food Hygiene Management Systems in Stores).

In hygiene management, priority is placed on freshness management that is easy to understand and can be performed by anyone. The QC Office and others conduct 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 \(in Japanese\)](#) 



## Audits of Processes at Apparel and Household Goods Manufacturing Factories

Seven & i Group sells apparel and household items, such as the Group's "Seven Premium" private brand products, while Group companies sell their own private brand products as well. To ensure the safety of these products, we conduct audits of our processes at our manufacturing factories both in Japan and overseas (These audits were cancelled for the fiscal year ended February 28, 2021 due to the impact of COVID-19).

Since there is no official certification for manufacturing factories that guarantees a level of quality control for apparel and household items, Seven & i Holdings has established its own standards, and each Group company carries out external audits through specialized external institutions based on these standards. Seven & i Holdings issues a process audit "Compliance Certificate" to factories whose audit results have cleared certain standards.



Compliance certificate

## Response to Product Incidents and Implementation of Exercises

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Seven & i Holdings assumes the occurrence of product incidents and product defects within the Group. By conducting regular exercises, Seven & i Holdings and each Group company mutually confirm the flow from the occurrence of an incident to investigations, reports, and corrections, and confirm the effectiveness of the incident response system. Should a product incident occur, the company promptly reports to the president, deliberates and makes decisions on any corrective actions, and the department specializing in quality control confirms the implementation and completion of corrective actions.

## External Recognition for Initiatives Addressing Quality Control

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Ito-Yokado received the METI Minister Award at the Minister of Economy, Trade and Industry Product Safety Awards<sup>※1</sup> three times, and was also certified as a gold product safety company<sup>※2</sup> in the fiscal year ended in February 29, 2016—a first for a general supermarket. In March 2021, Ito-Yokado was again certified as the gold product safety company upon undergoing a follow-up audit, earning the single star Gold PS Award mark.

<sup>※1</sup> The Ministry of Economy, Trade and Industry has been conferring this award since fiscal 2007 to raise awareness of corporate product safety and establish a culture of product safety that spreads the important value of product safety beyond the boundaries of companies to create a society where product safety is protected everywhere.

<sup>※2</sup> Every five years after certification, the review committee will follow up to see if the efforts being made at the time of certification are still being maintained.

- Ito-Yokado received the METI Minister Award at the Minister of Economy, Trade and Industry Product Safety Awards in 2011, 2013, and 2015.
- Ito-Yokado was certified as a gold product safety company in 2015.
- Ito-Yokado was certified again (follow-up) as a gold product safety company in 2020.
- Ito-Yokado was once again certified as a gold product safety company in 2021.



single star Gold PS Award mark

## Material Issue 2 Provide safe, reliable, and healthier merchandise and services

### Food Safety and Reliability

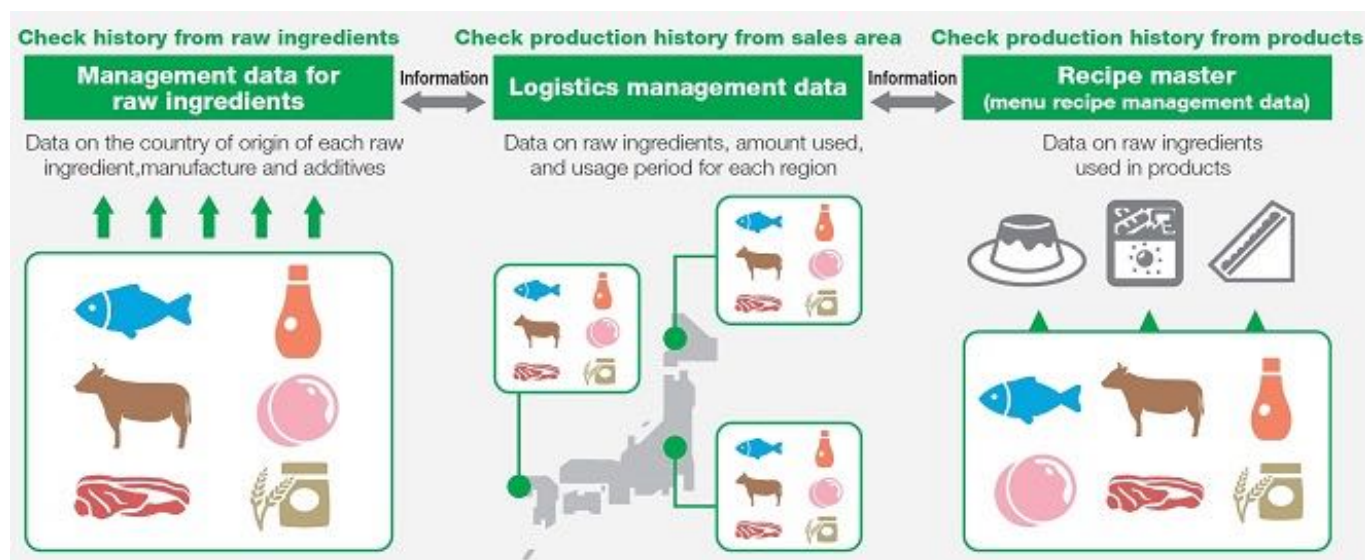
Seven & i Group is working on a variety of measures to emphasize safety and reliability at all stages from raw materials procurement through to sales.

#### Centralized Management of Production Records

Seven-Eleven Japan uses an average of 40 different food materials (including seasonings) per daily food product item, which includes rice balls and delicatessen items. To manage these individual products and accurately identify which factories produce them and what materials are used in which areas, Seven-Eleven Japan manages information from all its approximately 180 factories using a database system and links to the POS(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 allows us to immediately respond to any problems that may occur with raw materials. We also check for the presence of allergic substances and additives in our products to ensure that they are sold with the utmost care. In addition, Seven-Eleven Japan is also able to precisely track the volume of food materials, packaging, and containers used at every factory, 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.

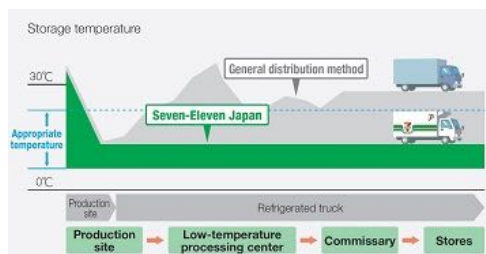
➤ [For more details about Seven-Eleven Japan initiatives \(in Japanese\)](#) 

#### Seven-Eleven Japan's Raw Material Production Record Management Framework



## Introduction of Cold Chains

Various leafy vegetables are used in 7-Eleven's original daily foods (rice balls, sandwiches, stuffed bread, salads, delicatessen items, noodles, and so on). 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 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 logistics networks)

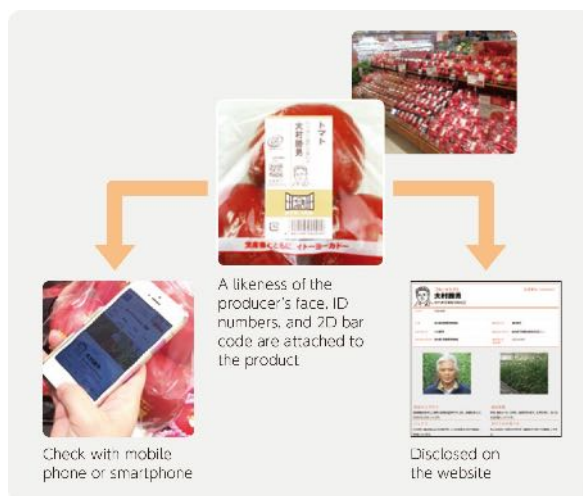
## Providing Reliable Products

### Fresh Foods with Traceability (Traceable Fresh Foods with Producers' Faces)

Ito-Yokado sells products under its private brand Traceable Fresh Foods with Producers' Faces, where it achieves an accurate understanding of production sites, production methods, and distribution channels and communicate these to customers. For these products, its 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 Ito-Yokado website using a PC or smartphone. As of March 3, 2022, 232 items are handled under the Fresh Foods with Traceability brand, covering fresh foods including vegetables, fruits, meat, eggs, fish, and rice.

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

### Producer Information Disclosure Methods (Example from Ito-Yokado)



## Products with Visible Production Areas

York-Benimaru has established a section called “The Secrets Behind the Delicious Taste, and the Safety and Security” 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.

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

## Approach toward the Use of Food Additives

Seven-Eleven Japan aims for fresh, homemade taste for fresh foods such as boxed lunches, and when using food additives, uses the minimum amount and types necessary. Further, we have set voluntary standards for food additives and make every effort to minimize the use of food additives that are of deep concern to our customers. In addition, with regard to labeling on use of additives, we conform to the Consumer Affairs Agency’s “additive free and not-used guidelines” and promote labeling that does not mislead customers.

> [For more details about Seven-Eleven Japan initiatives \(in Japanese\)](#) 

## Reducing Trans-Fatty Acids

It is said that excessive trans-fatty acids increase bad cholesterol in the blood and reduce good cholesterol, heightening the risk of coronary heart disease among other things. In Japan, where intake is low compared to other countries such as Europe and the United States, there is currently no obligation to display trans-fatty acids and no upper limits have been set. Seven-Eleven, however, has been voluntarily making improvements since 2005 to reduce the total amount of trans-fatty acids. In addition, from 2007 we have improved frying oil in order to reduce trans-fatty acids produced in the process of processing fats and oils.

> [For more details about Seven-Eleven Japan's initiatives for the reduction of trans-fatty acids \(in Japanese\)](#) 



### Reduction of Trans Fatty Acids

(Example) Amount per 100 g of Honokana Amami Strawberry Jam Margarine

FY2005	FY2007	FY2012	FY2019	FY2022
1.86g	0.18g	0.15g	0.11g	0.09g

## Labeling of Food Allergy Information

Seven & i Group, in addition to displaying information about seven specified ingredients (egg, milk, wheat, shrimp, crab, buckwheat, and peanuts) that are required to be labeled under the Food Labeling Law, also recommends displaying information about 21 equivalent items※ so that people with food allergies can choose products with confidence. Further, due to the Consumer Affairs Agency adding almonds to the “equivalent items” category in September 2019 in light of the increase in the number of people with allergies caused by almonds, Seven-Eleven Japan and Ito-Yokado have been proactively displaying information about almonds as well.

※Items recommended for the “equivalent items” category: abalone, squid, salmon roe, oranges, cashew nuts, kiwifruit, beef, walnuts, sesame, salmon, mackerel, soybean, chicken, banana, pork, matsutake mushrooms, peaches, yam, apples, gelatin, and almonds

### Display on all Fresh Foods

At Seven-Eleven Japan, in addition to specified ingredients, equivalent items are displayed on all fresh foods, including boxed lunches, rice balls, sandwiches, delicatessen items, noodles, bread, and pastries. Additionally, for in-store cooked products (hot snacks, oden, Chinese steamed buns), in addition to specified ingredients, information on the use of equivalent items is disclosed on the website.

> [For more details about allergy information of in-store cooked products \(in Japanese\)](#) 

### Display on Products Cooked In-store

At Ito-Yokado, in-store cooked sushi, delicatessen items, etc. are labeled with "specific raw materials" and "equivalent items (excluding almonds)." The food products in the container have allergy information on their labels. For the products sold separately without packaging, a list of allergens contained in each product is posted at the store.

### Display on menu book and terminal tablet

Ever since the menu revision in September 2018, Denny's of Seven & i Food Systems has printed information about the use of allergens (specified ingredients and equivalent items) to all menus for all time zones. In addition, a list of allergy information is available on the website, and customers can also search the menu name by allergen only in Denny's in-store menu.

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

## Sales of Products with Food Allergy Considerations

Seven & i Group offers a low-allergen menu to make meals delicious and enjoyable, regardless of food allergies or not.

### Sales of "Healthy Fruitcake"

Ito-Yokado offers the “Healthy Fruitcake”—a cake which does not use specified ingredients—available by reservation so that customers with food allergies can eat products with confidence.

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



"Healthy Fruitcake"

## Sales of "Low-Allergen Menu and Low-Allergen Cake"

At the Denny's restaurant chain managed by Seven & i Food Systems, there is a low-allergen menu and low-allergen cake for children that do 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.

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



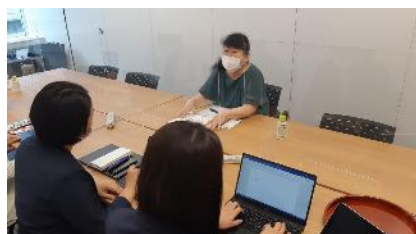
Low-allergen menu



Low-allergen cake

## Conducting Food Allergy Workshops

As part of its initiatives to understand food allergies, Seven-Eleven Japan co-hosted online workshops in March and April 2021 with the Atopicco Network for Children of the Earth, an authorized NPO. The workshops targeted people in their 10s and 20s with food allergies, and their guardians. Furthermore, workshops were also held as part of the "Online Summer Vacation Environmental Education Camp" organized by the same NPO. Games in which participants selected products they could eat from a display of actual products and learned about rules on food labelling and how to read them, were also conducted. Through discussions, participants shared how they chose actual products, deepening mutual understanding. Seven-Eleven Japan is committed to continued efforts to make display of allergens more accessible by referring to the opinions from the workshops.



Meeting with the NPO



Workshop on food allergies

## Regarding Handling of Genetically Modified Foodstuff

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Seven & i Group labels genetically modified foodstuffs in accordance with relevant domestic regulations. In addition, genetically modified ingredients are not used for the main ingredients—for which labeling is obligatory—of products under the Group's private brand Seven Premium (excluding certain products such as soy sauce and oil which use genetically modified potatoes, corn, soy beans, and other products which are permitted to be imported by the Japanese government).

## Inspection for Radioactive Substances

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In response to an increase in inquiries about radioactive materials since the Great East Japan Earthquake, Seven & i Group voluntarily conducts inspections to complement the monitoring conducted by the government, and we have posted details on our website. Inspections for radioactive substances are conducted for Ito-Yokado's Traceable Foods with Producers' Faces and the results are published on its website.

Further, York-Benimaru, has also been posting the results of the inspection of radioactive materials conducted by its business partners and government agencies on its website.

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

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

## Material Issue 2 Provide safe, reliable, and healthier merchandise and services

### Health and Nutrition

Seven & i Holdings is striving to reduce the use of food additives and provide nutritionally balanced food products in consideration of customers' further health-consciousness amid the growing focus on health and nutrition, including obesity, diabetes, metabolic syndrome, and malnutrition.

In May 2020, in order to create new value for the Group's "Seven Premium" private brand products, the "Seven Premium Connect Declaration" was formulated. It consists of four pillars: eco-friendliness, health-consciousness, high-quality products, and global compatibility. Specific measures included displaying sugar and dietary fiber content on nutrition labels (since September 2019), developing products with reduced salt and sugar, and encouraging the reduction of additives. 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.



Example of health food products



Soda Water "Seven Premium Sonomama Nomeru Tansansui Plus 490 ml"  
Food for specified health use containing 5 g indigestible dextrin (as dietary fiber)

### Sales of Healthy Food Products

Starting in March 2018, Seven-Eleven Japan adopted "Good Health Starts with this Hand" as a new catchphrase, at the same time implementing a rollout at 7-Eleven stores nationwide of products formulated specifically for safety, reliability, and health. As of June 2021, Seven & i has released a new healthy product series in response to increasing demand for healthier food. Marked with a special logo and labelled in accordance with food labeling guidelines, these products feature selling points intended to appeal to health-conscious consumers such as protein or dietary fiber content, or that contain at least one-half of the daily requirement of vegetables. Seven-Eleven Japan plans to expand upon these kinds of product lineups in the future.

In addition, Ito-Yokado offers boxed lunches supervised by national registered dietitians, with attention given to nutritional balance. By adding dietary fiber, vegetables, and so on, reducing salt and sugar content, and using fewer additives, we will provide customers with healthier products that meet their specific needs.

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



Examples of Seven-Eleven dedicated logo



Boxed lunch supervised by national registered dietitians

## Labeling of Nutritional Components

In addition to the five components<sup>※</sup> of energy, protein, fat, carbohydrates, and salt equivalents stipulated by the Food Labeling Law, the Seven & i Group started to display two items often requested by customers: sugars (available carbohydrates) and dietary fiber. Sugar and dietary fiber content are displayed on the Group's "Seven Premium" private brand products, fresh foods such as 7-Eleven's boxed lunches, rice balls, sandwiches, delicatessen items, noodles, and sushi and delicatessen items cooked in Ito-Yokado stores.

In addition, for certain products of "Seven Premium," we also provide voluntary labelling of items such as saturated fatty acids, trans-fatty acids, and cholesterol. Calorie counts are printed on the front of many products to make it easier for customers to find when selecting a product.

At the same time, given that nutritional labeling has become complex and that labeling methods differ from product to product, understanding what a product's features are has become difficult. Accordingly, the packaging design that brought uniformity to each feature has been carried on in products unique to Seven-Eleven Japan and is also being used for the Seven Premium line. The design features icons colored in orange or green on the face of the packaging. The green icon is used to indicate nutrients like sugar and salt that should not be consumed in excess of what is necessary, while the orange icon indicates nutrients like protein and dietary fiber that should be supplemented.

<sup>※</sup>Excluding some products with discretionary labeling and small surface area



Example of nutritional labeling showing sugars and dietary fiber for "Seven Premium Potato Salad"

Nutrition facts label: 1 package, per 120 g Energy: 166 kcal / Protein: 2.0 g / Fat: 9.2 g / Carbohydrates: 20.0 g (Sugars: available carbohydrates: 17.6 g / Dietary fiber: 2.4 g) / Salt equivalents: 0.9 g

\* Estimated values based on sample analysis



Example of nutritional labeling showing trans fatty acids for "Seven Premium Seven Bread (Six slices)"

Nutrition facts label: Per slice Energy: 163 kcal / Protein: 6.2 g /

Fat: 2.0 g (Saturated fatty acids: 0.7 g / Trans fatty acids: 0 g) / Cholesterol: 0 mg /

Carbohydrates: 31.0 g (Sugars: available carbohydrates: 28.9 g/Dietary fiber: 2.1 g) / Salt equivalents: 0.7 g

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



Examples of a package with an icon

Green icon: Nutrients like sugar and salt that should not be consumed in excess of requirements

Orange icon: Nutrients like protein and dietary fiber that should be supplemented

## Material Issue 3 Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

### Approach to the Material Issue

Seven & i Group operates around 22,700 primarily retail stores throughout Japan and has grown to be used by approximately 22.2 million customers each day. In order to prevent the development of these businesses from increasing the negative impact on the environment, we are working with various stakeholders in the value chain to reduce CO<sub>2</sub> emissions caused by energy consumption, reduce waste, and promote recycling, among other efforts.

In May 2019, we announced the "GREEN CHALLENGE 2050" Environmental Declaration, in which we establish Seven & i Group's ideal society as one that is decarbonized, has a circular economy, and is in harmony with nature. We established goals for 2030 and 2050 related to CO<sub>2</sub> emission reduction, plastic countermeasures, food loss and waste / organic waste recycling countermeasures, and sustainable procurement. We believe that reducing waste of energy, resources, and raw materials to achieve our goals will lead to cost reductions.

- Relevant Policies

["GREEN CHALLENGE 2050" Environmental Declaration >](#)

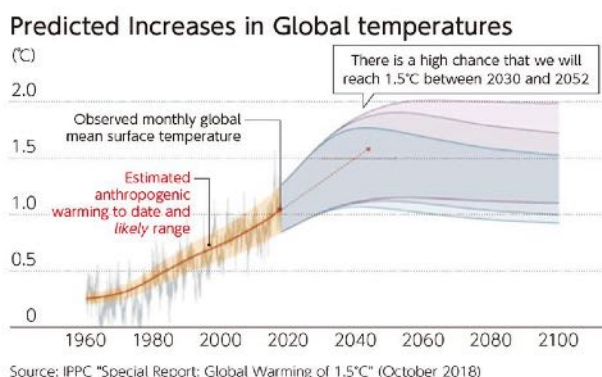
[Seven & i Group Sustainable Sourcing Principles and Policies >](#)

[Business Partner Sustainable Action Guidelines >](#)

### Background to the Material Issue

#### Climate Change

Climate change is a serious threat that will affect future generations through rising sea levels, erratic weather, impacts on the agriculture and fishing industries, and more. According to the "Special Report: Global Warming of 1.5°C" released by the IPCC (Intergovernmental Panel on Climate Change) in 2018, the average temperature has risen by about 1.0°C compared to before the Industrial Revolution, and it is said that CO<sub>2</sub> emissions must be reduced to net zero by 2050 to keep the temperature rise at 1.5°C.



## Food Loss and Waste

Throughout the world, one in nine people suffers from malnutrition, while in Japan, 25.5 million tons of food is wasted every year. Of this, the amount of food loss and waste - edible food that is discarded - is 6.12 million tons, which is equivalent to every person throwing away a bowl of rice every day.

### Amount of Food Loss and Waste



Source: Ministry of Agriculture, Forestry and Fisheries. (2020) "The State of Food Loss/Waste and Recycling."

## Resource Circulation

Plastics, which are highly convenient, are used in various situations in our lives, and over 8.3 billion tons\* of plastic have been produced since 1950. Meanwhile, 9% of plastic is recycled and 79% is sent to landfills or disposed of in nature. At this rate, it is estimated that 12 billion tons of plastic will be sent to landfills or disposed of in nature by 2050, and there are reports that the amount of plastic in the ocean exceeds the amount of fish\*. The issue facing us is to build a recycling-oriented economic society that makes effective use of existing resources without waste.

\* [From Plastics Smart, Ministry of the Environment, "The State of Plastic in Japan and Overseas <4th collection of reference materials>" \(in Japanese\) \[PDF:7.17MB\]](#)

## Contribution to SDGs

In addressing this material issue, Seven & i Holdings contributes to achieving goals 2, 6, 7, 12, 13, 14, and 15 of the Sustainable Development Goals (SDGs) by reducing CO<sub>2</sub> emissions and waste of food products, and so forth.



## Seven & i Groups' Initiatives

**Environmental Management**  
[>](#)

**Climate Change Measures** [>](#)

**Introduction of  
Environmentally Friendly  
Packaging** [>](#)

**Effective Use of Resources** [>](#)

**Measures against Food  
Loss/Waste and for Organic  
Waste Recycling** [>](#)

**Sustainable Procurement of  
Raw Materials** [>](#)

**Supply Chain Management  
(Environment)** [>](#)

## **Material Issue 3 Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts**

### **Environmental Management**

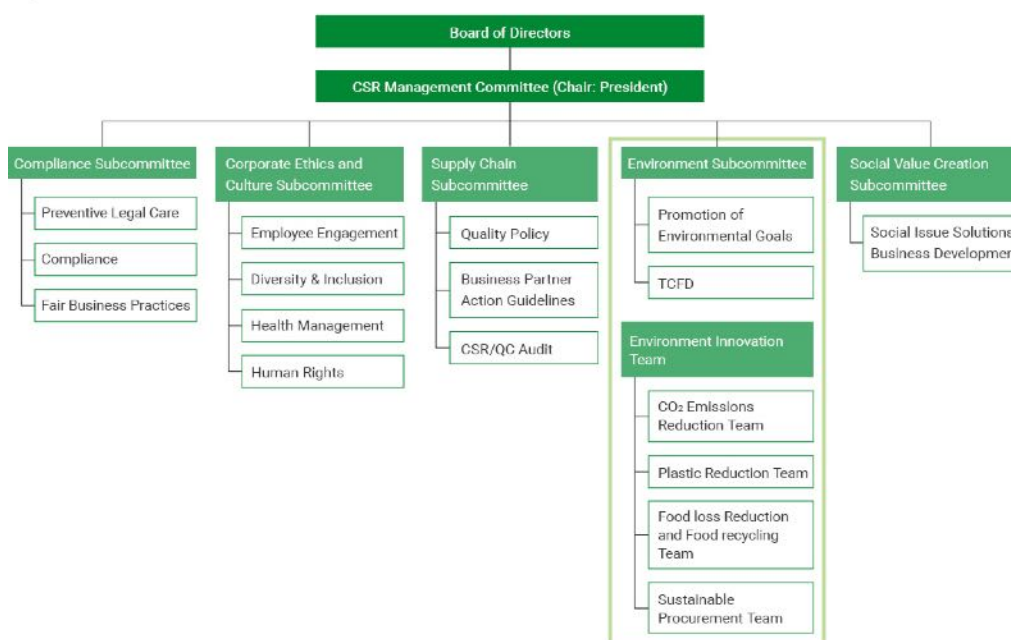
Seven & i Group is actively working to reduce its environmental impact in order to contribute to the creation of a sustainable society and leave a prosperous planet to future generations. In May 2019, we announced the “GREEN CHALLENGE 2050” environmental declaration, which sets out our vision for society and our goals for 2030 and 2050. We are moving ahead with environmental initiatives by way of the Seven & i Holdings Environment Subcommittee, which is attended by the supervisors of the Environment Divisions at our Group companies, as well as through our Innovation Teams established for the purpose of implementing initiatives falling under the environmental declaration “GREEN CHALLENGE 2050.” In addition, each Group company has established an environmental management system appropriate to its line of business.



### **Promotion Framework**

Seven & i Group CSR Management Committee meets twice a year. The Committee, chaired by our company President, is attended by CSR managers from the Group companies as well as managers from divisions from Seven & I Holdings engaged in the work of sustainability. The CSR Management Committee has established an Environment Subcommittee as a subordinate organization to deal with climate change issues. It consists of managers from the environmental departments of the Group companies.

In addition, when we announced the environmental declaration “GREEN CHALLENGE 2050” in May 2019, we established the Environmental Innovation Team, the goal of which is to alleviate environmental load working from four different perspectives, including CO<sub>2</sub> emission reduction and plastic reduction strategies. This is a company-wide initiative. The CSR Management Committee receives reports on trends in indicators and on initiatives mainly for mitigation measures. The Committee approves measures implemented by the subcommittees and each Group company, and provides any necessary advice. Progress reports on these initiatives are submitted to the Board of Directors of Seven & i Holdings at least twice a year, at which time policies and initiatives are reviewed as necessary.



## Environmental Management System

With a view to boosting the effectiveness of Group-wide environmental management, the Seven & i Group is putting forth initiatives to acquire the ISO14001 international standard in environmental management. By way of regular internal audits, which include observation, assessment, and analysis, environmental management systems are evaluated with a view to ascertaining the efficiency of improvement initiatives. We also conduct reviews of management personnel in order to ensure smooth implementation of improvement initiatives. Additionally, Seven-Eleven Japan is taking steps to acquire the Ministry of the Environment's Eco Action 21 certification at dedicated factories, working together with the Nihon Delica Foods Association (NDF).

## ISO 14001 Acquisition

Seven & i Group strives to maximize the effectiveness of its environmental management strategies. To this end, we are moving ahead with steps to acquire the international-standard ISO 14001. Sogo & Seibu became the first in the department store sector to achieve ISO 14001 certification in 1999, and has successfully maintained it continuously at all business sites. Subsequently, Seven-Eleven Japan acquired certification at the end of February 2015 for its offices and directly-managed stores throughout Japan. Meanwhile, Seven & i Food Systems attained certification in February 2015 for its Head Office and some Denny's restaurants. All in all, the Group companies achieving certification are carrying out initiatives to reduce environmental footprint, working through the ISO 14001 certification framework. They also conduct annual environmental audits to ascertain both the appropriateness and effectiveness of the management system. The sales ratio of the operating companies that have obtained ISO 14001 certification is approximately 49% of the Group's net sales.

## Eco Action 21 Certification Acquired

In collaboration with the Nihon Delica Foods Association (NDF), Seven-Eleven Japan conducts information sharing on examples of initiatives that have substantial energy-saving effects at biannual NDF nationwide CSR promotion conferences. Seven-Eleven Japan also confirms the need to create a system that can respond to a variety of environmental issues including compliance, energy-saving measures, reducing CO<sub>2</sub> emissions, and reducing food loss and waste. Based on the results confirmed above, Seven-Eleven Japan has declared that it will utilize an environmental management system, and with regard to the acquisition of Eco Action 21, established by the Ministry of the Environment, it is taking proactive measures such as holding briefings. Of the 177 factories that manufacture daily products, 137 factories have achieved environmental management certification with a focus on Eco Action 21, and if we include factories that have started activities to obtain certification, then 165 factories are working on this certification (as of the end of February 2022).

To correctly assess and verify the initiatives taken to reduce environmental impact, each year since 2015, Seven & i Group has undergone third-party audits of CO<sub>2</sub> emissions from store operations. In 2021, audits of 14 companies\*<sup>1</sup> were conducted. The sales of the 14 companies covered about 98% of the Group's total sales. The CO<sub>2</sub> emissions from store operations of the 14 companies in the fiscal year ended February 28, 2022 were 123,766 tons for Scope 1, and 2,847,126 tons for Scope 2. Moreover, by undergoing a third-party audit of the data for the Category 1\*<sup>2</sup> emissions of Seven-Eleven Japan, which accounted for about half (9,647,904 tons) of the Scope 3 emissions, we improved the accuracy and reliability of the quantitative data internally and externally.

\*2 The CO<sub>2</sub> emissions associated with “purchased products and services” (procurement of raw materials, outsourcing of packaging, procurement of consumables, etc.) from among the 15 categories of Scope 3.

## Third-Party Verification Report

At each store of Seven & i Group, in addition to the daily efforts made to conserve water, water-conserving faucets and energy-saving flushing toilets are also being introduced. Furthermore, through utilizing rainwater and so forth, we are working to reduce the volumes of water used. As a result, in the fiscal year ended February 28, 2022, water usage in conjunction with store operation increased to 20,893,000 m<sup>3</sup>\*, but water consumption per million yen in sales decreased as in the previous year. Additionally, treatment of wastewater from store locations is similarly managed by each of the Group companies in an environmentally friendly manner. By strictly observing national laws as well as the municipal laws and ordinances of the areas in which the stores are located, and by implementing appropriate wastewater treatment and purification for the specific region, we take the necessary steps to prevent contaminated water from flowing into ocean or river waters.

	FY2017	FY2018	FY2019	FY2020	FY2021
Water consumption (1,000m <sup>3</sup> )	24,551	24,809	23,606	20,537	20,893
Water consumption per million yen in sales (m <sup>3</sup> /million yen)	3.4	3.3	3.1	2.9	2.9

## Management of CFCs

At Seven & i Group's stores, devices using CFCs are replaced with ones using CFC alternatives during remodeling and so forth. Moreover, in compliance with the Act on the Protection of the Ozone Layer Through the Control of Specified Substances and Other Measures, which was implemented in April 2015, devices undergo regular inspections and leakage assessments required by the government. Devices using CFCs are disposed of by professional companies in compliance with the law, and stores receive collection certificates from these contractors as proof of appropriate disposal.

Substitute CFCs include HCFC (hydro chlorofluorocarbon), production of which is to be banned in developed countries by 2020. As this will require a changeover to another type of substitute, we also plan to further promote the introduction of non-CFC devices in freezing and refrigeration devices used at our stores. At Seven-Eleven Japan, refrigeration devices that utilize CO<sub>2</sub> refrigerants have been introduced on at 359 stores (212 stores for frozen refrigeration facilities and 147 stores for only nutritional drink cases), and we are also trialing them at 4 Ito-Yokado stores (as of the end of February 2022).

## Management of PCBs

Ito-Yokado has a dedicated storage facility in Kasukabe City, Saitama Prefecture, in order to properly store PCBs (polychlorinated biphenyl) that affects soil and organisms. Fluorescent lamp ballasts and other equipment that contain PCBs are collectively managed there. In the future, Ito-Yokado plans to complete the disposal as soon as it becomes possible for a waste disposal facility to accept them.

		FY 2017	FY 2018	FY 2019
Ito-Yokado	Weight of equipment to be disposed of (containing PCBs) (t)	1.75	1.75	1.75

## Management of Paper

At 7-Eleven stores, Seven-Eleven Japan is making progress toward going paperless for accounting forms and has been expanding this effort to all stores since June 2019. This initiative has allowed it to reduce the amount of paper used annually at each store by approx. 3,000 sheets, which helps to reduce the negative impact on the environment (as of the end of February 2022).

## Material issue 3 Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

### Climate Change Countermeasures

Seven & i Group recognizes that the issue of climate change exerts a negative impact on the stable society that is essential for the sustainable development of companies. We would like to contribute in achieving the greenhouse gas reduction targets set forth in the Paris Agreement. In the “GREEN CHALLENGE 2050” environmental declaration formulated in May 2019, we identified the decarbonized society as the ideal that we should be aiming for. We are promoting energy conservation and the expanded use of renewable energy, with the goal of reducing CO<sub>2</sub> emissions generated from store operations by 50% compared to FY2013 by 2030 and down to net-zero by 2050.



### Managing Climate Change Risks

Seven & i Holdings is affected by various risks related to climate change. These include regulatory risks from tighter regulations in Japan and overseas, physical risks from the occurrence of major disasters as well as changes in customers' purchasing pattern, due to the climate change or/and response to weather fluctuations. Furthermore, there are reputation risks, in which companies judged by climate change prevention/mitigation/adaptation management. In particular, the impact from changes in temperature and the occurrence of major natural disasters extends beyond damage to store equipment and distribution networks, restrictions or halts to trading, and sales opportunity loss; it can also affect the Group companies' product suppliers and raw material prices. Climate change is therefore a risk factor for all aspects of operations, from product development and production to distribution, store operations, and product lineups. Seven & i Holdings therefore recognizes that developing and implementing a business model that can cope with weather and climate change is important for maintaining its growth.

Seven & i Holdings, in order to properly analyze, evaluate, and appropriately respond to risks associated with the Group and each business, it establishes, maintains, and utilizes its comprehensive risk management systems governed by Risk Management Committee, in accordance with its “Basic Rules for Risk Management.” Risks posed by climate change are managed under this comprehensive risk management system as well.

Twice each year, each Group company identifies risks affecting that company based on the shared Group risk categories. Companies quantify risk assessments based on the degree of impact and the likelihood of occurrence of each risk, organize countermeasures for each risk in a risk assessment table, and submit the table to their Risk Department (Risk Management Committee Office). The risk assessment table should include not only quantitative but also qualitative risks, such as CO<sub>2</sub> emission regulations, business continuity risks due to recent large-scale typhoons, and changes in growing regions and fishing grounds for product raw materials.

The Risk Management Committee meets twice annually to comprehensively determine the status of Group risks based on the risk assessments and countermeasures submitted by each Group company and monitors implementation of risk management and improvement measures by each company from the perspectives of materiality, urgency of improvements, and so on.

In principle, the status of risk management is reported to the Seven & i Holdings Board of Directors once annually.

[> Response to TCFD Recommendations](#)

## Measures for Adaptation to and Mitigation of Climate Change Risks

Our enduring concern around weather and temperature change is reflected in our daily ordering activities and sales floor formation. In product development and lineups as well, we strive to provide products that meet customers' needs by establishing a hypothesis based on weather changes over several months. At the same time, we will respond carefully to changes in customers' purchasing behavior driven by abnormal weather and temperature changes affected by climate change.

The "Seven Farm" environmental recycling-oriented agriculture initiative of Ito-Yokado buys the entire quantity of harvested produce, including imperfect shape/size items. This enables us to procure and sell vegetables steadily regardless of market trends. In this way, we are also addressing the aspect of stable product procurement. These Seven Farms are located in 12 places throughout Japan, covering approximately 250 ha in total. (As of February 28, 2022).

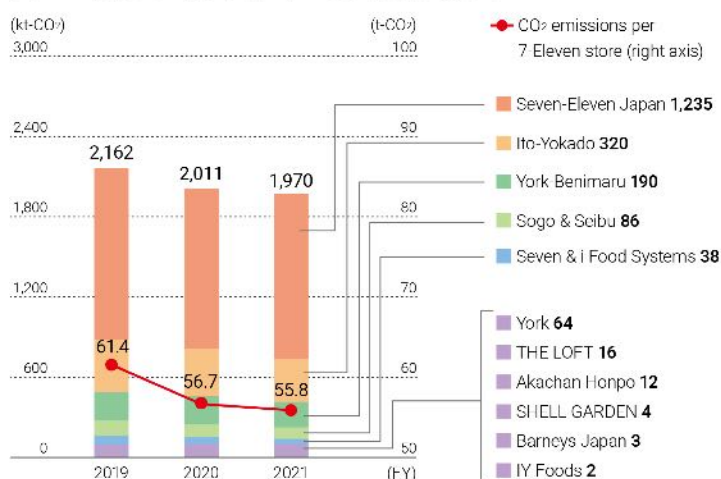
In addition, Seven & i Holdings is establishing systems to prepare for disasters associated with sudden weather phenomena, such as the numerous incidents of heavy rain and landslides that have occurred recently in Japan. For example, we have distributed booklets to employees summarizing how to respond in an emergency, and we have also been holding regular simulation drills using teleconferencing systems and so forth. Furthermore, Seven & i Holdings is constructing 7VIEW (Seven Visual Information Emergency Web), a system that enables provision, sharing, and joint use of disaster information. The system gathers together information from the Group and through cooperation with business partners.

Measures to mitigate climate change include various initiatives related to reducing our environmental impact, such as energy conservation and use of renewable energy at stores, along with forest maintenance and related activities throughout Japan.

## Reduction Targets for CO<sub>2</sub> Emissions

Approximately 90% of the CO<sub>2</sub> emissions by each Seven & i Group company are from the energy use for store operations. For this reason, we set a target of reducing CO<sub>2</sub> emissions from store operations to net-zero by 2050 so that CO<sub>2</sub> emissions may not increase in conjunction with the expansion of business and increases in the number of stores.

**CO<sub>2</sub> Emissions Resulting from Store Operations\***



\* The numbers above the bar graphs are the combined totals for the following 11 companies: Seven-Eleven Japan, Ito-Yokado, York Benimaru, York, SHELL GARDEN, IY Foods, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Food Systems, and Barneys Japan.

\* York Benimaru includes the stores and the merged Life Foods factory.

\* For the Group company calculation conditions, please see the data posted on the website.

➤ [Details of CO<sub>2</sub> emissions amount data can be found here](#)

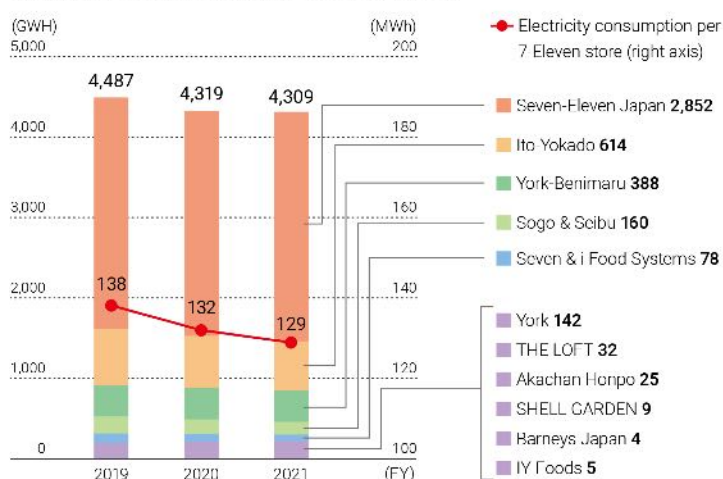
## Promoting the Introduction of Energy-Saving Equipment at Stores

To curtail the increase in environmental impact proportionate to the increase and enlargement of stores and the expansion of products and services, each Seven & i Group company is installing energy-saving equipment such as LED lighting and solar panels when opening new stores and refurbishing existing ones. Conserving energy at stores also leads to lower costs for energy use.

For example, at Seven-Eleven Japan stores, we are promoting environment-friendly store development by converting all types of lighting to LED, including store signage, sales area lighting, and sign poles. In 2014, we introduced new specification LED lighting that can further reduce electricity usage by approximately 50%. In addition, we have made progress in installing solar panels, which are now in place at 8,775 stores (as of the end of February 2022).

Other operating companies are also promoting the wider use of renewables. As of the end of February 2022, Ito-Yokado had installed LED lighting at all of its 128 stores and solar panels at 13 stores, York-Benimaru had installed solar panels at 21 stores, and York had installed solar panels at 6 stores.

Electricity consumption in store operations



LED lights



Solar panels

### Main investments in environmental equipment—cost and effect

FY	Environmental investment (million yen)	Environmental expenses (million yen)	Projected reduction in expenses (million yen)	CO <sub>2</sub> reduction effect (Tons)
2021※1	5,390	192	445	28,354
2020※1	15,473	355	759	24,449
2019※2	11,731	401	608	19,195

※1 Totals for 11 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, SHELL GARDEN, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, THE LOFT, IY Foods, and Barneys Japan

※2 Totals for 9 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, SHELL GARDEN, Sogo & Seibu, Akachan Honpo, THE LOFT, and Seven & i Food Systems

## Introduction of Large-Scale Solar Power Generation

As part of efforts to reduce CO<sub>2</sub> emissions from store operations based on Seven & i Group's "GREEN CHALLENGE 2050" environmental declaration, a large-scale solar panel generation system went into operation in July 2020 at Ito-Yokado's Ario Ichihara store. As an effective utilization of Ario Ichihara's space, solar panels were placed on the roof and are being used to generate some of the electricity consumed by the store. It is now possible to provide about 25% of the total electricity used by Ario Ichihara from the solar panels, as a result of which CO<sub>2</sub> emissions from electricity use can be reduced by about 25%. It is one of the largest generation systems of its kind at a commercial facility in Japan.



Large-scale solar panels at Ario Ichihara store

## Stores with Hydrogen Stations

Seven-Eleven Japan has signed a comprehensive agreement with Iwatani Corporation regarding the installation of hydrogen stations at stores. In March 2017, the companies opened a store with a hydrogen station in Sendai, Miyagi Prefecture, bringing the total number of hydrogen-station stores to three with the existing stores in Ikegami, Ota-ku, Tokyo and Kariya City, Aichi Prefecture (as of the end of February 2022). The 7-Eleven stores with hydrogen stations have installed pure hydrogen fuel cells to examine the potential for the using hydrogen at retail stores. The aim is to build sites that can serve as community-based social infrastructure capable of supplying products, services, and clean energy at a single point.



The 7-Eleven store with a hydrogen station at Ikegami 8-chome, Ota-ku, Tokyo

## Start of Energy-Saving Store Demonstration Test

Seven-Eleven Japan opened the Ome Shinmachi 7-Eleven store as a test store for energy saving using state-of-the-art equipment and technology. As part of our efforts to reduce CO<sub>2</sub> emissions from store operations based on the Group's "GREEN CHALLENGE 2050" environmental declaration, this store has introduced various energy-saving structures and equipment and energy-creation and -storage systems, including highly efficient solar panels and architecture with efficient air conditioning. Where possible, we will consider expanding facilities tested and verified at this store to our other stores throughout Japan.



※The store has introduced various energy-saving equipment, including revised LED lighting, changeable walk-in door specifications, an in-store positive-pressure system, improved performance of chilled-case air curtains, and auto clean filters for refrigerators and freezers.

Overview of introduced technologies at Ome Shinmachi 7-Eleven store

## Commencement of Trial Test on 100% Renewable Energy Store Operation

In September 2019, as an initiative based on the Agreement on Cooperation and Collaboration in Promoting SDGs between Seven & i Holdings and Kanagawa Prefecture as well as Seven & i Group's "GREEN CHALLENGE 2050" Environmental Declaration, Seven Eleven Japan started a trial test at 10 7-Eleven stores in Kanagawa Prefecture; all electric energy related to store operation is procured using renewable energy.

4R Energy Corporation's original batteries—which uses reused batteries from the Nissan LEAF electric vehicle produced by Nissan Motor Corporation—and solar panels with significantly improved electric power generation efficiency made by Kaneka Corporation are installed at stores undergoing the trial. Electric power is used efficiently through in-house power generation. In addition, since November 2019, the procurement of electric power beyond what in-house generation is being supplied by SMART TECH Corporation based on post-FIT<sup>※1</sup>, which allowed an actual renewable energy rate of 100%<sup>※2</sup> when combined with in-house power generation. The electricity generated during the day will be stored and used at night to save energy in stores and strengthen their function as regional infrastructure in the event of a disaster.

In addition to initiatives such as "people- and environment-friendly stores" made thus far, we aim to significantly reduce CO<sub>2</sub> emissions through this initiative.

※1 In addition to initiatives undertaken so far, such as people- and environment-friendly stores, Seven & i aims to significantly reduce CO<sub>2</sub> emission through this initiative. It is an assistance scheme that fixes the buyback price of energy produced. Post-FIT is expected to gradually occur from November 2019 as the scheme ends for solar energy.

※2 Achieve an actual renewable energy rate of 100% by combining the use of electric power generated/stored by stores with that of electric power originating from post-FIT.

### Overview of Initiative



## Introduction of Green Electricity in Stores, Including Japan's First Offsite PPA

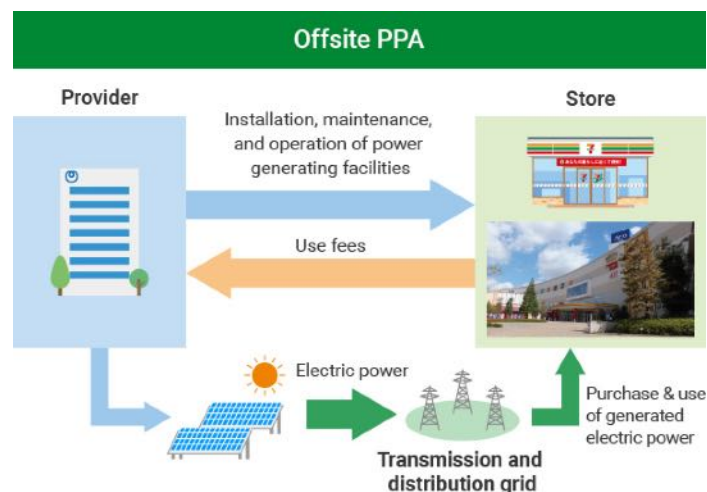
With the aim of realizing 100% renewable energy use in store operations of Seven & i Group, Seven & i Holdings and Nippon Telegraph and Telephone Corporation (NTT) have been steadily introducing electricity procurement based on Japan's first<sup>※1</sup> offsite power purchase agreement (PPA) and electricity from NTT group-owned green power generation plants in some stores, since April 2021. This initiative means that 40 7-Eleven stores of Seven & i Group and the Ario Kameari store now aim to use 100% renewable energy in store operations.

The off-site PPA model refers to power generation facilities that are installed away from demand locations with the power generated being supplied to demand locations. This time, NTT Anode Energy Corporation will set up two solar power generation plants and engage in electricity supply<sup>※2</sup> via the transmission and distribution grid. In an offsite PPA, the project developer sets up an offsite renewable energy generation plant specially for companies and local governments who are electricity consumers, and provides long-term supply of electricity. This was Japan's first offsite PPA. When the electricity from the PPA is insufficient, the rest comes from green electricity generation plants owned by the NTT group, so the electricity used in store operations is 100% renewable energy.

※1 Based on research by NTT Anode Energy Corporation through hearings with RTS Corporation, etc.

※2 ENNET Corporation, a subsidiary of NTT Anode Energy Corporation, is the agency providing this electricity supply.

### Offsite PPA Diagram



## Installation of Electric Vehicle Chargers

Seven & i Group has installed approximately 2,800 chargers for electric vehicles (EVs) and plug-in hybrid vehicles (PHVs) as of the end of February 2022 in parking lots at about 110 stores in Japan, including 7-Eleven, Ito-Yokado, Ario, Seibu Department Stores, and Sogo to provide a fee-based charging service. The initiative aims to increase the convenience of the commercial facilities and establish a pattern for using EVs and PHVs of charging them while shopping. It also aims to contribute to the realization of a decarbonized society by promoting the spread of environment-friendly, next-generation cars.



Electric Vehicle Chargers

## Environmental Consideration in Leased Vehicles

Seven-Eleven Japan Operation Field Counselors (OFCs), who support franchised store management, use leased vehicles to visit franchised stores. Seven-Eleven Japan has been phasing in hybrid vehicles for these leased vehicles. In the fiscal year ended February 28, 2022, we replaced 102 leased vehicles with hybrid models, bringing the total to 3,818 hybrid vehicles in use.

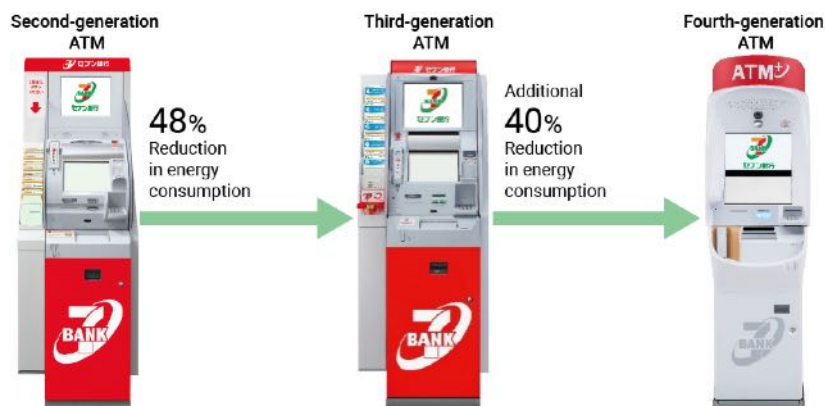


Example of leased vehicle

## Reduction in CO<sub>2</sub> Emissions with the Introduction of 4th Generation ATMs

Since September 2019, Seven Bank has been gradually introducing new ATMs (4th generation ATMs) which consume even less power than conventional ATMs. Fourth-generation ATMs can further reduce power consumption by approximately 40% in comparison to 3rd generation ATMs, which consume 48% less power than 2nd generation ATMs. On completion of the replacement of the approximately 26,000 Seven Bank ATMs nationwide with 4th generation ATMs, CO<sub>2</sub> emissions will be reduced by about 10,000 tons<sup>※1</sup> annually. As of the end of March 2022, approximately 10,000 4th generation ATMs have been introduced, and we are committed to their continued sequential introduction in the fiscal year ending in February 28, 2023.

※1 Conversion of CO<sub>2</sub> emission factors at 0.000500t-CO<sub>2</sub>/kWh



Changes in power consumption by ATMs

## Material Issue 3 Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

### Supply Chain Management (Environment)

Seven & i Group is making efforts to reduce its own environmental impact as well as working together with its business partners to reduce environmental impact across the entire supply chain. Besides requesting that our contractors that are manufacturing original products to comply with the Business Partner Sustainable Action Guidelines, we are also working to save energy at factories and introduce eco-friendly vehicles.



### Applying the Business Partner Sustainable Action Guidelines

To ensure that it meets its social responsibilities on matters such as reducing its impact on the environment, Seven & i Holdings formulated the Business Partner Action Guidelines in 2007 and asks business partners to comply with them. In December 2019, to clarify our intention to build a sustainable society together with our business partners, we enhanced items related to human rights and labor issues. Thus we changed the name of the guidelines to "Seven & i Group Business Partner Sustainable Action Guidelines."

"8. Global Environmental Conservation" in the Seven & i Group Business Partner Sustainable Action Guidelines defines items such as compliance with environmental laws and regulations, appropriate handling of wastewater and waste, consideration of biodiversity, and proactive use of energy-efficient equipment and eco-friendly technologies, as well as items related to the "GREEN CHALLENGE 2050" environmental declaration.

For our business partners to understand these guidelines for sustainable behavior and take effective action, we are carrying out the following activities, which are primarily aimed at the original products manufactured by the Group companies. In particular, we have been conducting training for our business partners since the fiscal year ending February 28, 2019, to support the promotion of their efforts. In 2019, we held local briefings on the Business Partner Sustainable Action Guidelines and related policies for our business partners at four venues in China and five venues in Southeast Asia. A total of 287 factories (94.4% participation rate※1) and 482 business partners took part. In the fiscal year ending February 28, 2022, these in-person briefings, "Business Partner Sustainable Action Guidelines and CSR Audit Briefings," were canceled accompanying the global spread of COVID-19.

We began to distribute "Briefings and Practicals on the Business Partner Sustainable Action Guidelines" in an on-demand format to our business partners with manufacturing bases overseas (274 participants from 178 companies※2) from June 2020. From August 2020, it was possible to view these resources in Chinese and five other Asian languages, while in October instructional video streams for CSR audits with Chinese narration were also distributed to business partners within China (79 participants from 66 companies). In the fiscal year ending February 28, 2022, "Business Partner Sustainable Action Guidelines and CSR Audit Briefings," were distributed in live and on-demand streaming (1,071 participants from 517 companies※2).

- ◆ Awareness and spread: Organizing of briefings
- ◆ Confirmation of implementation: Administering of self-check sheet
- ◆ Support for implementation: Organizing of compliance training
- ◆ Validation of implementation: Conduct of CSR audits and encouraging the taking of corrective action

※1 Percentage of factories participating in briefings among those subject to CSR audits (overseas)

※2 Reference values taken from access logs online briefings

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


## CSR Audits and Corrective Measures

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Since the fiscal year ended February 28, 2013, the Seven & i Group has had CSR audits conducted by third-party inspections organizations at the manufacturing factories of our private brand suppliers in developing countries. The CSR audits include everything from items related to human rights and labor issues to inspections of environmental aspects, such as compliance with environmental laws and regulations, management of effluent and chemical substances, and promotion of energy-saving and environmental protection activities.

If the business partner is found to be in conformance upon completion of the audit, we issue a Certificate of Conformity. However, if items not in conformance with the audit items (nonconforming items) are found, the third-party auditing organization will indicate the nonconforming items to the business partner in question. If the audit finds items that do not comply with the audit program (unacceptable items), the external audit organization provides guidance to the business partner concerned. The business partners must submit a corrective action plan (CAP) to the auditing organization within 10 days of the audit being completed, and must take immediate action to improve the items. After receiving a report on the completion of improvements for the relevant items, the completion of improvements is confirmed based on the submission of photos showing the improvements, guarantee documents (evidence) and other materials. However, for factories that exceed certain standards, such as when numerous serious unacceptable items are found, the resolution of issues is confirmed through another visit to perform a re-audit. When correction of the non-compliant items is completed or the third-party auditing organization and Seven & i Holdings judge that the plan contained in the CAP is valid, a Certificate of Conformity is issued to the relevant business partner.

The issuance of a "Certificate of Conformity" is a prerequisite for a business relationship to continue. In addition, when a new transaction is requested, we ask that you understand and comply with the "Seven & i Group Business Partner Sustainable Action Guidelines" and begin the transaction after a "Certificate of Conformity" has been issued through a CSR audit.

> [Further details about CSR audits of business partners can be found here](#) 

## Promoting Environmental Information Management at Manufacturing Factories

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Seven-Eleven Japan has its original daily products manufactured by several contract manufacturers. These manufacturers have organized the Nihon Delica Foods Association, which reports on the CO<sub>2</sub> emissions, waste emissions, and the food recycle rate. It works to ascertain the environmental information of our contract manufacturers and hold study seminars through the "Environment Subcommittee" (held monthly) under the CSR Promotion Committee of the Nihon Delica Foods Association, where it shares and spread examples from each manufacturer.

221 factories in Japan that are tasked with manufacturing the Group's "Seven Premium" private brand products have acquired ISO 14001 certification for their environmental management systems.

## Scope 3※1 Calculation

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Seven & i Holdings is working to reduce CO<sub>2</sub> emissions and evaluate its environmental impact at every stage from the supply chain through to sales and consumption, as stated in its Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming. To this end, the Group has calculated the CO<sub>2</sub> emissions ("Scope 3") throughout the entire supply chain following the "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain Ver. 2.4." of the Ministry of the Environment. For the fiscal year ending February 28, 2022 we calculated emissions for 12 major Group companies.※2 The results showed that Scope 3 emissions accounted for almost 90% of the Group's overall emissions, and of these, around 80% originated in the raw materials procurement process. We will analyze this calculation result and use it to achieve further reductions of CO<sub>2</sub> emissions across the entire supply chain.

※1. "Scope 3": CO<sub>2</sub> emissions other than those from the company, emitted from its procurement of raw materials and products, transportation, and product use, together with CO<sub>2</sub> emissions from waste disposal processes

※2. The following 12 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, SHELL GARDEN, IY Foods, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Food Systems, Barneys Japan and Seven Bank

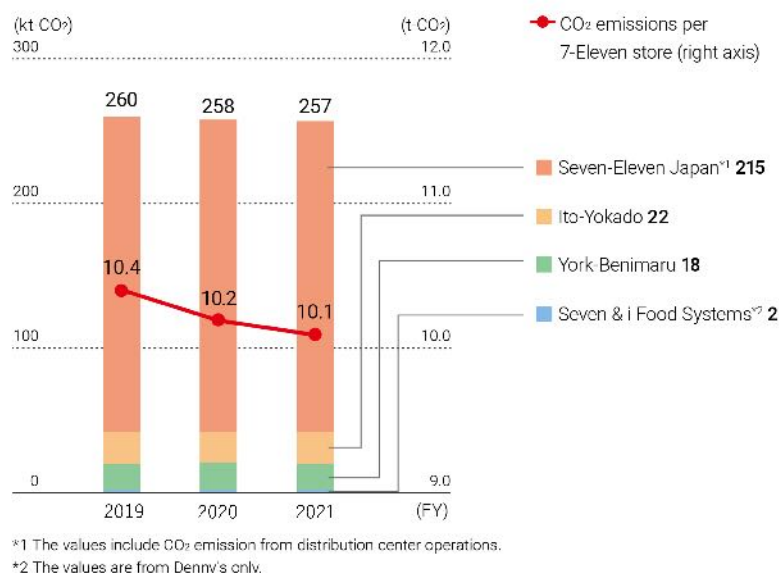
**Breakdown of Greenhouse Gas Emissions throughout the Supply Chain in the Fiscal Year Ending February 28, 2022 (Totals for 12 companies)**

Categories	Amount of emissions (t-CO <sub>2</sub> )	Composition ratio (%)
Category 1 (Purchased goods and services)	15,165,310	83.0%
Category 2 (Capital goods)	747,652	4.1%
Category 3 (Fuel- and-energy-related activities not included in Scope 1 or 2)	697,274	3.8%
Category 4 (Upstream transportation and distribution)	272,035	1.5%
Category 5 (Waste generated in operations)	60,586	0.3%
Category 6 (Business travel)	4,813	0.0%
Category 7 (Employee commuting)	39,077	0.2%
Category 8 (Upstream leased assets)	-	-
Category 9 (Downstream transportation and distribution)	27,736	0.2%
Category 10 (Processing of sold products)	-	-
Category 11 (Use of sold products)	51,678	0.3%
Category 12 (End of life treatment of sold products)	1,069,044	5.9%
Category 13 (Downstream leased assets)	117,650	0.6%
Category 14 (Franchises)	-	-
Category 15 (Investments)	-	-
Other	13,893	0.1%
Total of Scopes 3	18,266,748	100.0%

## Reducing CO2 Emissions from Deliveries

Seven & i Holdings is asking its partners who deliver products to stores to cooperate with efforts to introduce eco-friendly vehicles, improve fuel efficiency, and reduce store delivery frequencies. Furthermore, progress is also being made in fitting trucks with drive-data terminals that record driving status. Data collected from the terminals is used to provide driver instruction and eco-driving seminars.

**CO<sub>2</sub> Emissions by Delivery Trucks**



## Introduction of Eco-Friendly Vehicles

For its delivery vehicles that convey products to stores, Seven-Eleven Japan is introducing clean diesel engines, compressed natural gas (CNG), hybrid vehicles, and fuel cell trucks such as EVs and hydrogen-powered trucks that do not emit CO<sub>2</sub>, with the goal of reducing CO<sub>2</sub> emissions to achieve a decarbonized society. Of the total of 6,208 delivery vehicles, 4,424 are eco-friendly vehicles (as of the end of February 2022).

Since March 2018, Seven-Eleven Japan has been cooperating with a project being conducted by Ehime Prefecture to encourage the use of biodiesel fuel produced from used frying oil. Seven-Eleven Japan has been refining bio diesel fuel from oil collected from households, fryers in 7-Eleven stores, and production of fried foods at specialized factories in Ehime Prefecture. Seven-Eleven Japan projects that approximately 25 kiloliters of bio diesel fuel will be used each month and that emissions from deliveries will be reduced by about 2,590 kg- CO<sub>2</sub> per month.

In March 2018, Seven-Eleven Japan introduced three EV trucks from Mitsubishi Fuso Truck and Bus Corporation, and continue to deliver to stores. In July 2019, it introduced two demonstration EV trucks developed by Isuzu Motors Limited, to further reduce CO<sub>2</sub> emissions.

Additionally, in April 2019, it introduced two light fuel cell trucks developed by Toyota Motor Corporation. These trucks run on a fuel cell (FC unit) that uses hydrogen to generate electricity, has a maximum loading capacity of three tons, a cruising range of approximately 200 kilometers, and does not emit environmentally hazardous substances during operation. Also, the electricity generated by the FC unit is used to power the refrigeration unit. In April 2020, Seven-Eleven Japan started a new test on new vehicles with temperature zone switching and verification experiments are being carried out toward expanded introduction from the summer of 2021.



A delivery vehicle which runs on biodiesel fuel



A small fuel cell truck



EV truck



EV truck

## Promoting Introduction of Eco-Friendly Tires

Seven-Eleven Japan is promoting the introduction of eco-friendly tires with low rolling resistance for delivery vehicles. As of the end of February 2022, it have installed ecofriendly tires on 6,145 delivery vehicles, representing approximately 99% of the total fleet.

Moreover, Seven-Eleven Japan has also introduced retread tires to 850 vehicles, as of the end of February 2022. These tires are made from tires that have finished their service life, by removing a certain amount of the rubber surface that makes contact with the road and applying new rubber and tread. In this way, they can be re-used as rear tires for delivery vehicles. Seven-Eleven Japan will promote the use of retread tires to contribute to resource conservation and waste reduction by reusing them.



Retread tires

## Introduction of Energy-Saving Equipment at Distribution Centers

Seven-Eleven Japan is promoting efforts to reduce wasteful power usage at its distribution centers by introducing “demand controllers” that monitor the electricity usage of each unit of equipment and apply controls to the equipment in use to ensure that the usage does not exceed a certain range at 65 of 164 distribution centers (as of the end of February 2022).





## Participation in Initiatives and Collaboration with External Organizations










Seven & i Holdings is actively supporting and participating in external organizations/initiatives both domestically and internationally such as the industry-government-academia collaborations and consortiums. We actively collect information on advanced technologies and know-hows on sustainability through initiatives, participate in regular/irregular seminars and study groups, as well as dispatch our information by discussions and presentations at symposiums/seminars/gatherings. By working to further reduce the environmental impact of the Group through collaborative and cooperative activities with suppliers and other stakeholders, we advance our efforts to realize our prosperous and sustainable society together.

Working together with our suppliers to reduce the environmental impact

Name	Status of Participation	Remarks
Science Based Targets (SBT)	<a href="#">LINK</a> 	With the aim of obtaining SBT accreditation, we have submitted a commitment letter in March 2021.

Collaboration and joint research :

Name	Status of Participation	Remarks
Japan Business Federation	<a href="#">Member (LINK: Japanese)</a> 	We support the “ <a href="#">Challenge Zero</a> ”  initiative toward carbon neutrality by 2050.
Task Force on Climate-related Financial Disclosures (TCFD) Consortium	<a href="#">Member (LINK)</a> 	We have expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In addition, we are committed to our participation in the TCFD Consortium, which was established to promote joint initiatives by Japanese companies and financial institutions that support the recommendations of the TCFD. We are considering ways to improve information disclosure and engage in dialogue with stakeholders.
RE100	<a href="#">Member (LINK: Japanese)</a> 	In order to meet the CO <sub>2</sub> emission reduction target which constitutes one of the key themes of our environmental declaration “GREEN CHALLENGE 2050”, we are participating in RE100, an international initiative that aims to use 100% renewable energy for the electricity used in our business activities.

Name	Status of Participation	Remarks
Japan Climate Initiative: JCI	<a href="#">Member (LINK)</a> 	<p>We are committed to supporting and participating in the goals of this initiative, “joining the front line of the global push for decarbonization from Japan.” In 2021, we endorsed the following policy recommendations.</p> <ul style="list-style-type: none"> <li>• Ambitious 2030 Target to realize the Paris Agreement in Japan (April 2021)</li> </ul> <p>&lt;Support of JCI Policy Recommendations&gt;</p> <ul style="list-style-type: none"> <li>• <a href="#">Ambitious 2030 Target to realize the Paris Agreement in Japan (April 2021) (in Japanese)</a> </li> <li>• <a href="#">Renewable energy power target to 40-50% in FY2030 (January 2021) (in Japanese)</a> </li> </ul>
Japan Climate Leaders Partnership (JCLP)	<a href="#">Member (LINK)</a> 	<p>We agree with and support the idea that industry should have a healthy sense of crisis and start taking proactive initiatives in order to realize a sustainable decarbonized society, In April 2021, we endorsed the following policy recommendations.</p> <p>&lt;Support for JCLP policy &gt;</p> <ul style="list-style-type: none"> <li>• <a href="#">JCLP welcomes Japan's new 2030 GHG Emissions Reduction Target (April 2021)</a> </li> </ul>
Japan Clean Ocean Material Alliance (CLOMA)	<a href="#">Member (LINK)</a> 	<p>We have set targets for countermeasures to plastic in our environmental declaration "GREEN CHALLENGE 2050," and our participation is grounded in our conviction that it is necessary to promote joint public-private initiatives toward the resolution of the issue of marine plastics.</p>
Japan Hydrogen Association (JH2A)	<a href="#">Member (LINK: Japanese)</a> 	<p>The purpose of the association's activities is aligned with the initiatives to reduce CO<sub>2</sub> emissions in the environmental declaration "GREEN CHALLENGE 2050," and our participation in the project is based on our commitment to study the use of hydrogen to build a decarbonized society.</p>
Kyoto Beyond SDGs consortiums, Kyoto University	<a href="#">Member (LINK: Japanese)</a> 	<p>We are committed to participation in the consortium's initiatives toward resource recycling, energy conservation, and energy creation, as well as initiatives aimed at implementing the SDGs in local communities. Our participation is grounded in our conviction that the initiatives are aligned with the society we are aiming for and can contribute to the creation of an SDGs community in Kyoto City.</p>
Sustainable Future Society Creation Platform, Tokyo University	<a href="#">Member (LINK: Japanese)</a> 	<p>This platform pursues the creation of a sustainable society mainly from the perspective of energy systems. The platform contributes to the reduction of CO<sub>2</sub> emissions and the construction of a sustainable society, which is the goal of the environmental declaration "GREEN CHALLENGE 2050."</p>

## Material issue 3 Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

### Measures against Food Loss / Waste and Measures for Organic Waste Recycling

Food accounts for about 60% of Seven & i Group's sales, and the "GREEN CHALLENGE 2050" Environmental Declaration has established food loss and waste / organic waste recycling countermeasures as one of its themes and is promoting initiatives. The "GREEN CHALLENGE 2050" aims to raise the organic waste recycling rate to 70% by 2030 and 100% by 2050, and the amount of food loss and waste\* will be reduced by 50% by 2030 and 75% by 2050 compared to 2013.

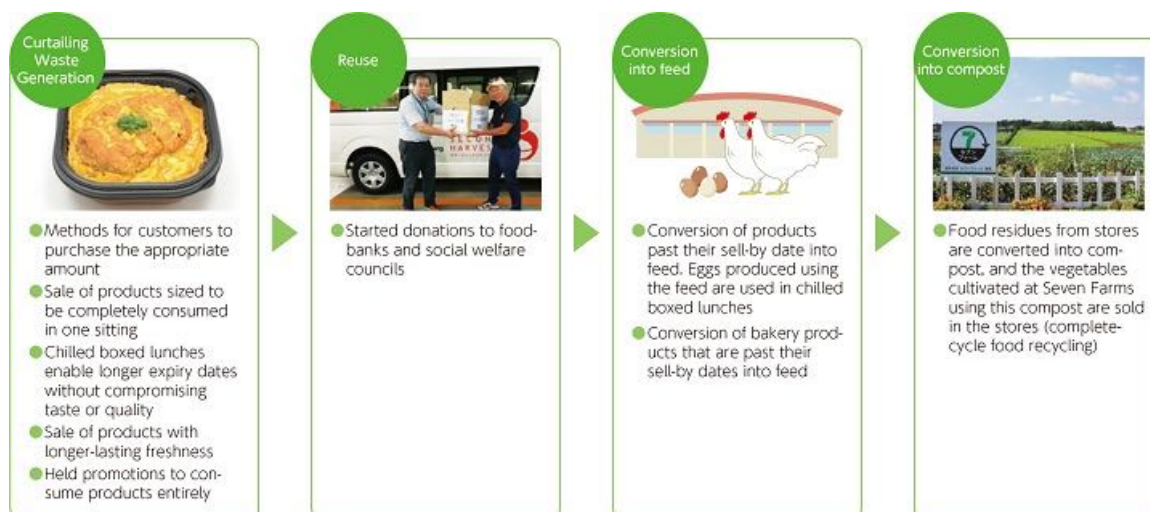
\* Amount generated per one million yen in sales

\* Covering six food-related operating companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, SHELL GARDEN, and Seven & i Food Systems

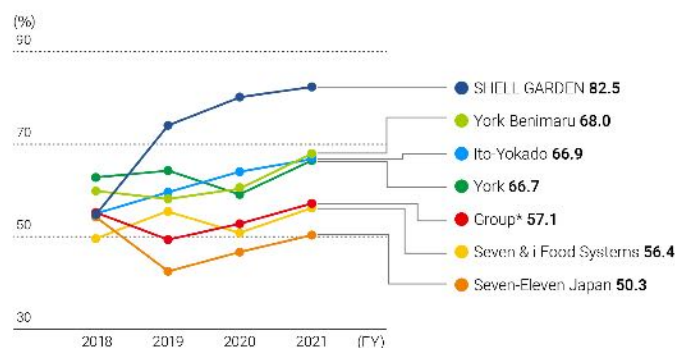


### Our Approach to Reducing Food Waste

Our priorities for reducing organic waste are to curtail the generation of waste, promote the reuse of waste, convert waste into feed and fertilizer, and recover heat. Seven & i Group implements initiatives in order of priority at each stage.



Core Operating Companies' Organic Waste Recycling Rates



\* Six food-related operating companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, Seven & i Food Systems, SHELL GARDEN

\* From March 2021, results for the former Life i foods are included in the York-Benimaru figures.

## Amount of Food Waste Generation

	FY2018	FY2019	FY2020	FY2021
Amount generated per million yen of sales (kg)*	21.80kg	22.35kg	21.01kg	20.28kg

\* Six food-related operating companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, SHELL GARDEN, and Seven & i Food Systems

## Initiatives Across the Entire Supply Chain

Seven & i Group continues to implement initiatives to reduce food loss throughout its supply chain. As one example, we are relaxing product delivery deadlines at Seven-Eleven Japan, Ito-Yokado, York-Benimaru, and York. Until now, our business practice was to use the “1/3 rule,” which entailed delivering products to stores before a third of the period between the date of manufacture and the expiration date had passed. As an initiative for reducing food loss, we are revising certain categories of products to a “1/2 rule,” which relaxes delivery deadlines by allowing deliveries before half of the period between the date of manufacture and the expiration date has passed. Going forward, we will expand target categories to reduce the inventory burden of manufacturers and vendors and work to further reduce food loss.

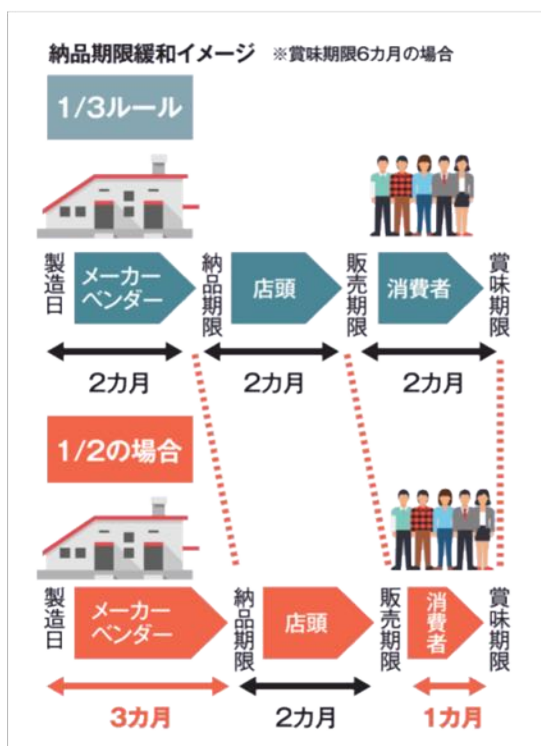


Image showing relaxed delivery deadlines

## Received “Supply Chain Innovation Award 2020”

Seven-Eleven Japan is promoting efforts to reduce food loss and waste throughout the supply chain such as those for the mitigation of food waste by extending expiration dates through improvement of hygiene management levels at factories that manufacture original daily products as well as reducing inventory disposal costs at distribution centers and by granting nanaco points for products whose sales deadlines are approaching. In July 2020, these efforts received praise and won the Excellence Award and Special Award in the “2020 Supply Chain Innovation Award” contest hosted by the Ministry of Economy, Trade and Industry.

## Initiatives of Each Group Company to Reduce Food Loss and Waste

Each Seven & i Group company is implementing various innovations to reduce food waste in areas including sales methods and products. For example, Ito-Yokado and York (York Mart, York Foods, and York Price) have introduced food items sold loose and sold by small portions as well as cut vegetables to enable customers to purchase products only in the amounts they need. In addition, Denny's of Seven & i Food Systems provides menus offering dishes with smaller servings that can be finished comfortably without leftovers. It also provides take-out containers for customers to take the leftovers home, when they wish.

Additionally, York-Benimaru and York are converting fish ilium bones discarded by stores into feed. Moreover, 100% of waste oil, such as that generated from the frying oil used to cook delicatessen items at the stores of each Group company, is recycled. Going forward, Seven & i Group will continue to promote organic waste recycling.

### Initiation of an "Ethical Project"

In May 2020, Seven-Eleven Japan started an "ethical project" at stores nationwide with the aim of reducing food loss and waste. The initiative reduces the generation of food waste by giving 5% of the tax-excluded price for target products near their sales deadline as bonus Nanaco points, and it covers a total of seven categories such as rice balls, bread, delicatessen, and sweets.

### Extending Expiration Dates of Original Daily Products

Seven-Eleven Japan has made technological innovations at the manufacturing factories. Reviewing the manufacturing processes and temperature / hygiene management has made it possible to ensure safety and security as well as improve taste and quality, such as by not using preservatives, along with extending expiration dates (developing products with longer-lasting freshness). Starting with chilled boxed lunches in 2009, Seven-Eleven Japan has extended the freshness of products such as gratin and doria, pasta dishes, sandwiches, and delicatessen items. As of the end of April 2022, about 84% of our original daily products have a sales deadline that is over 24 hours away.

### Donations to Food Banks

Ito-Yokado has been donating unexpired foods from some stores to food banks\* since the fiscal year ending February 28, 2018, to a cumulative total of around 38.8 tons of donations (as of May 2022).

With regard to reuse, Seven-Eleven Japan has been donating inventories of processed foods to food banks when stores are closed or refurbished, and since the fiscal year ending February 28, 2019, it concluded regional comprehensive collaboration agreements with municipalities and began making donations to social welfare organizations. As of the end of February 2022, it has concluded regional comprehensive collaboration agreements with 223 municipalities.

\* Organizations engaged in the distribution, to those in need of support, of foods which, despite no quality concerns, could not be put to market or are surplus to households.

### Deployment of Eco Distribution

Seven-Eleven Japan has been promoting "Eco Distribution\*" since 1994 as a system for appropriate processing and recycling of organic waste. As part of this system, we are endeavoring to recycle products that have passed their sales deadlines into feed or compost, and in the fiscal year ending February 28, 2022, the combined recycling rate for products that had passed their sales deadline and discarded food oil was 50.3%.

\* Eco Distribution: Seven-Eleven's original waste recycling system

A recommended waste disposal provider for franchisees in each region collects all of the waste from Seven-Eleven stores for appropriate processing and recycling.

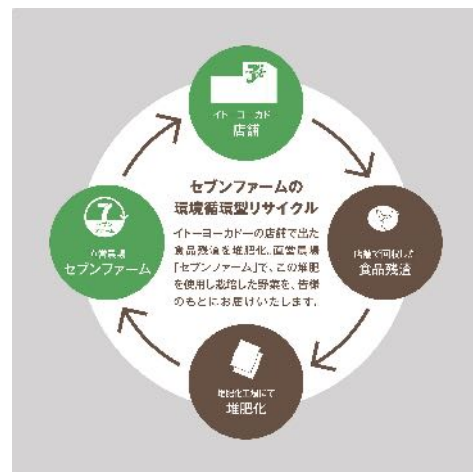
## Circular Economy in Agricultural Initiatives

### Establishment of Seven Farm

In August 2008, with the aim of enhancing recycling rates and revitalizing local agriculture, Ito-Yokado established “Seven Farm Tomisato” as an agricultural production corporation in Tomisato City, Chiba Prefecture, thereby becoming the first player in the retail sector to engage in “Circular economy in agriculture.” “Circular economy in agriculture” is an initiative for composting food residues (garbage) generated by Ito-Yokado stores and using it as fertilizer at Seven Farms. The produce that is grown at the farms is then harvested and sold at the stores from which the food residues were generated. As of the end of February 2022, Seven Farm had expanded to 12 sites nationwide, Seven Farm is actively working to acquire certification under Japan Good Agricultural Practice (JGAP), an agricultural production process management technique, and 11 Seven Farm locations (as of the end of February 2022) have acquired JGAP certification.



Seven Farms



Seven Farms' Circular Economy Model

➤ [More details on Seven Farm can be found here \(in Japanese\)](#)

## On-site Processing (Garbage Processors) Initiatives

Ito-Yokado introduced a “biodegradable garbage processor” system that breaks down organic waste using microorganisms in October of 2011 and has installed on the sites of 20 stores as of the end of February 2022. Through the power of microorganisms, the devices break down into water and CO<sub>2</sub> garbage that is ill-suited to recycling (such as highly fibrous substances, etc.). This process results in reduced CO<sub>2</sub> emissions compared to incineration processing, and it offers an effective reduction of waste volumes.

Seven-Eleven Japan also started operations tests of biodegradable garbage processors in 2013. The on-site organic waste treatment eliminates the need for delivery to local municipal treatment centers and contributes to the reduction of CO<sub>2</sub> emissions generated during delivery and incineration. As of the end of February 2022, it had introduced and begun operating these at a total of 17 stores in Tokyo and Nagano Prefecture on a trial basis.



Biodegradable garbage processors (Ito-Yokado)



Biodegradable garbage processors (Seven-Eleven Japan)

## Awareness-Raising Activities for Reducing Food Loss and Waste

In light of the fact that approximately half of food waste is generated by homes, the Seven & i Group is conducting educational activities to reduce food waste at home. We conducted a food drive in which customers could bring their extra food to participating Ito-Yokado, York, and Sogo and Seibu stores and have it be donated to food banks.

From June 2020, Ito-Yokado successively expanded the number of stores with a permanent food drive collection box to 44 (as of the end of February 2022). The foods collected at each store are centralized at distribution centers with the cooperation of contracted logistics companies, and then delivered to food canteens for children and persons in need of support through food banks. In addition, we implemented a food drive to raise employee awareness at venues including the Head Office of each Seven & i Group company and selected district offices of Seven Eleven Japan.

At Seven & i Food Systems, companies in the restaurant business have the responsibility to promote efforts that encourage customers to finish their food. At the end of February 2022, 38 local municipals nationwide have registered as stores that promote food waste reduction, such as stores that encourage customers to finish their meals. Since October 2019, Denny's menu has made it clear that there is a small-serving option for rice that is easy to finish, and it has displayed the "Loss Non" symbol used by the national movement to promote food loss and waste reduction.

For introducing its mottECO program to reduce food waste, Seven & i Food Systems has been selected by the Ministry of the Environment as a "FY2021 Model Business for Reduction of Food Waste and Promotion of Recycling by Local Governments and Businesses." Under this program, restaurant customers unable to finish their food can request 100% plant-derived containers in which to take home the leftover portion. By having customers assume the responsibility for taking home these leftovers on their own, this campaign is raising awareness of reducing food waste and promoting a "culture of taking home leftovers as one's own responsibility."



mottECO poster

## Material issue 3 Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

### Effective Use of Resources

In response to such trends as the sharp increase in the world's population and its continued urbanization along with the rapid economic growth of emerging and developing nations, the depletion of natural resources essential for living has become an issue. Seven & i Group is working toward achieving a circular economy that makes effective use of resources by working with customers and business partners to reduce waste, collect recyclable resources at stores, promote recycling, and reuse materials.

With regard to the reduction of plastic shopping bags that has been attracting increased attention lately, Seven & i Group's "GREEN CHALLENGE 2050" environmental declaration sets the goal of replacing 50% of containers and packaging used in our original products by 2030, and 100% by 2050, with environmental-friendly materials. In addition, with regard to the reduction of plastic bags, we aim to reduce the use of plastic shopping bags to zero by 2030, and adopt sustainable, natural materials such as paper for shopping bags.



### Collection of Recyclable Resource at Stores

Seven & i Group is promoting an important initiative to recover and recycle empty containers and other materials from its products. Every Group company cooperates with customers and local governments to collect recycling resources such as bottles, cans, polystyrene, paper cartons, and PET bottles at stores in accordance with local waste disposal sorting rules. Recently, some stores of the Group have also been cooperating with local governments to collect small electrical appliances, which have been drawing attention as "urban mines."

In addition, the Ito-Yokado Hikifune store has been developing new initiatives to promote a circular economy, such as providing a place for demonstration of recycling experiments jointly conducted by Kao and Lion since October 2020.

### Installing Reverse Vending Machines for Collecting PET Bottles for Recycling

Ito-Yokado, York-Benimaru, and York have had reverse vending machines for collecting PET bottles for recycling installed at stores since 2012. Since PET bottles inserted into the machines undergo an automatic process of foreign-matter removal and volume-reduction (by either compression or crushing), large volumes of bottles for recycling can be sent to recycling plants on each occasion, which reduces the delivery frequency from stores. Moreover, by utilizing Seven & i Group logistics routes, more efficient transportation is possible and the volume of CO<sub>2</sub> emissions resulting from the operations can be reduced.

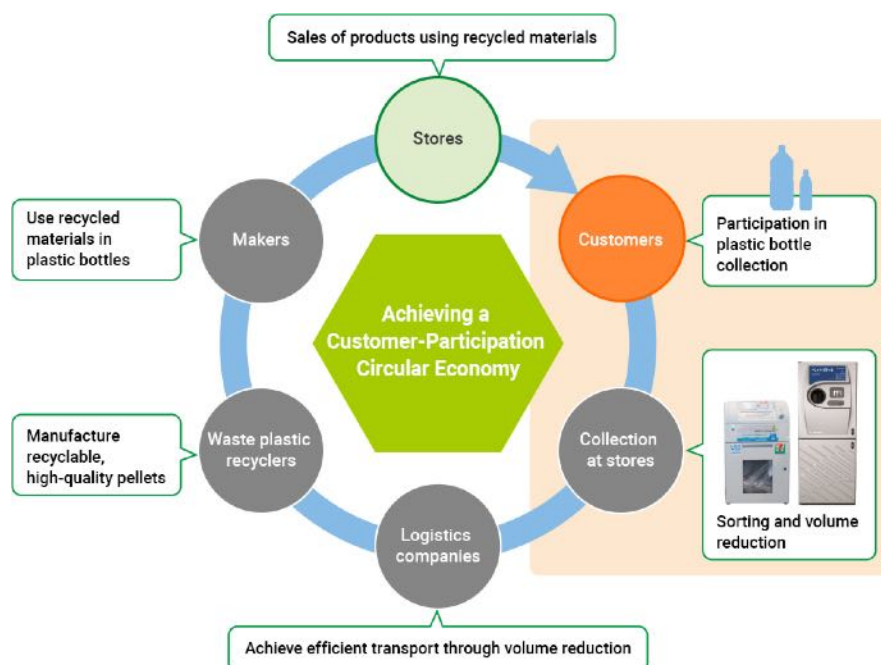
The collected PET bottles are made into new PET bottles for the domestic market. This "closed-loop recycling" system of recycling PET bottles into new PET bottles is the first attempt by a major retail chain in Japan to be implemented on such a large scale.

Seven-Eleven Japan conducted trials of reverse vending machines at five stores in Koto-ku, Tokyo starting in December 2015. Later, the program was expanded in stages to stores in Tokyo and Saitama Prefecture starting in December 2017. In addition, since June 2019, Seven-Eleven Japan has been partnering with Higashiyamoto City, the Higashiyamoto City Cleaning Business Cooperative, and the Nippon Foundation to gradually install PET bottle reverse vending machines to promote bottle-to-bottle recycling at all 7-Eleven stores in Higashiyamoto City. Moreover, in September 2019, the installation of PET bottle reverse vending machines began at stores in Okinawa Prefecture, and in January 2020, installation

began in Yokohama City, making it the first among ordinance-designated cities. As of the end of February 2021, PET bottle reverse vending machines have been installed at some stores in 13 prefectures, and there are plans for expansion going forward.

As of the end of February 2022, 2,098 reverse vending machines have been installed in stores across the four companies, and approximately 10,800 tons of PET bottles have been collected in the fiscal year ended February 28, 2022. We are promoting the initiative to recycle material from PET bottles collected at stores and use it in packaging for the Group's Seven Premium private brand products. Moreover, we have printed a note explaining the process from collecting to recycling on the product packaging, and are working on promoting understanding and awareness of the circular recycling system.

## PET Bottle Recycling System Using Reverse Vending Machines



Small-sized reverse vending machine system  
for convenience stores

	FY2018	FY2019	FY2020	FY2021
Amount recovered (tons)	8,900	9,740	8,700	10,800
Number installed (Units)	759	820	1,001	2,098

Number of PET bottle reverse vending machines installed  
and amount recovered

## Achieving Complete Bottle-to-Bottle PET Bottle Recycling

From June 2019, Seven & i Group began selling “Seven Premium Hajime Ryokucha Ichi-nichi Ippon” in recycled bottles made by using 100% of the PET bottles collected by reverse vending machines at stores. It is the first initiative of its kind in the world that recycles PET bottles collected from specific distribution groups as raw materials and sells them as a product again in the same distribution group.\*

\* As of June 5, 2019. Study by Coca-Cola Japan and Seven & i Holdings.

## Using Recycled PET Material for Clothing

Seven & i Group is making efforts to expand the use of recycled PET materials while promoting the collection of PET bottles. In February 2020, “Seven Premium Lifestyle Body Cooler,” an underwear that utilizes PET bottles collected by PET bottle reverse vending machines installed at the Group stores and uses recycled yarn made from the PET bottles, went on sale at Ito-Yokado, York-Benimaru, and Sogo & Seibu stores nationwide.

As of the end of February 2022, Ito-Yokado carries approximately 200 clothing items that use these recycled materials, accounting for about 13% of the sales mix for Ito-Yokado’s underwear category. We plan to continue developing products that use recycled PET bottle materials moving forward.

### PET Bottle Recycling Scheme



## Reducing the Use of Disposable Plastic Bags

Seven & i Group has promoted the reduced use of disposable plastic bags by asking customers whether they need a bag at the register, displaying posters and POP signs, and holding events to encourage customers to bring their own shopping bags when shopping at stores. In July 2020, we commenced usage fees for plastic shopping bags, and as of the end of February 2022, the rate of decline in use of plastic shopping bags for the entire Group was just under 80%.

Seven-Eleven Japan has recommended that 21,000 stores nationwide use plastic shopping bags containing 30% plant-derived biomass polyethylene to further reduce usage fees for petroleum-derived plastics. As plastic shopping bags started to cost money, the turn-down rate at Seven-Eleven Japan, which was about 30% before the charge was applied, has grown to be about 72% (as of the end of February 2022). This had led to about 8,000-ton reduction in the use of plastic (amount reduced from the July 2020 start of charging to February 2021) and to about 17,000-ton reduction in the fiscal year ended in February 28, 2022 compared to the previous fiscal year. Moreover, in the fiscal year ended February 28, 2022, the “amount equivalent to Head Office revenue” from the sales of plastic shopping bags amounted to approximately 860 million yen, which is being used as part of costs for the installation of PET bottle reverse vending machines.

## Reducing Waste Resulting from Products

Ito-Yokado is working to curtail the generation of waste and to promote reuse and recycling with a view to reducing waste disposal. For example, in product deliveries, Ito-Yokado utilizes reusable containers and hangers for delivery of apparel as a way of cutting down on the use of packaging and cardboard. At stores, Ito-Yokado promotes understanding of recycling, and store employees are encouraged to rigorously sort waste for recycling purposes.



Shipping work at a distribution center



Reusable containers for store deliveries

## Reuse of Fixtures and Building Materials from Closed Stores

When 7-Eleven stores are to be rebuilt or closed, the disposed product shelving, fixtures, and chiller cases are reused at other stores after undergoing maintenance. Furthermore, steel frames and sashes that are resulted in destructions of stores are reused in constructions of new stores to reduce construction waste.



## Material Issue 3 Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

### Introduction of Environmentally Friendly Packaging

Product containers and packaging play important roles including preserving products and displaying information about ingredients, but after product use, these items become waste. In the “GREEN CHALLENGE 2050” Environmental Declaration,<sup>1</sup> Seven & i Group is promoting the reduction of the environmental impact associated with containers and packaging by pledging to make 50% of the containers and packaging used in original products (including Seven Premium) consist of environmentally conscious materials by 2030, and 100% by 2050.



### Plastic Usage Reduction Initiatives

At Ito-Yokado, York-Benimaru, and York, we have devised sales methods for fresh food and delicatessen items that reduce the amount of containers and packaging used, such as selling by weight or selling individual loose items. In our delicatessen items sales areas, we are increasingly using paper bags rather than plastic containers for selling items such as croquettes and deep-fried chicken. In some other stores, some products sold in fresh meat sales areas have adopted the method of packing meat for sale in plastic bags without a polystyrene tray.

At Seven-Eleven Japan, the lids on containers of the “Cup Deli” line of salad products have been changed to top-seal types, and the amount of plastic used per container has been reduced by about 25% compared to conventional containers. (Plastic reduction in the fiscal year ending February 28, 2022: about 203 tons\*) Moreover, aside from initiatives for product containers, we reduced the amount of oil-based plastic by about 12% compared to conventional materials through our original manufacturing process and the addition of biomass resin to some of the plastic promotional display items in 7-Eleven stores.

\* Compared to the weight of plastic used in the lids on containers of the Cup Deli in the fiscal year ending February 28, 2019



Example of packaging without trays (poultry)



“Cup Deli” products with top-seal lids

## Shifting to Recyclable Packaging

In July 2015, we changed the paper cartons used for Seven Premium alcohol products from the previous aluminum carton material to a non-aluminum carton material. This change enables the cartons to be recycled as paper cartons. Moreover, the volume of CO<sub>2</sub> emissions per carton from the raw material procurement and manufacturing process is around 12% lower compared with the aluminum cartons. Therefore, this initiative has resulted in a reduction in CO<sub>2</sub> emissions of approximately 250 tons per year, the equivalent of the CO<sub>2</sub> absorbed by approximately 18,000 cedar trees.



The identification mark also changed from the Paper Mark to the Paper Carton Mark

## Use of Biomass Raw Materials

In the fiscal year ended February 29, 2016, Seven-Eleven Japan replaced the original Salad Cup Container sold in the chilled cases of its stores with containers that use environmentally friendly PET made from recycled or biomass PET rather than oil-based PET. Ito-Yokado also uses bioplastics that make partial use of plant-based oil materials for the containers in its cut fruit and boxed lunches.



Example of Salad Cup Container using environmentally friendly PET



Bioplastic container



Cut fruit inside a bioplastic container

## Adopting "Rice Ink" for Package Printing

In April 2016, Seven-Eleven Japan introduced rice ink for printing the packaging of rice balls sold at its stores. Rice ink is made from rice bran oil, a non-edible part of the plant extracted from rice bran. This ink reduces the Company's annual CO<sub>2</sub> emissions by around 60 tons compared with conventional petroleum-based inks and is therefore aiding in reducing environmental impact. Moreover, the packaging is also contributing to our efforts to promote local production for local consumption by using domestically produced rice bran oil, which is one of the raw materials.

In December 2016, Seven-Eleven Japan changed to plant-based packaging film and ink for its original bakery products. Compared with the previous oil-based packaging, this has therefore reduced the Company's annual CO<sub>2</sub> emissions by approximately 108 tons.



Product packaging made from plant-derived raw materials and rice ink prints

## Introducing Paper Containers

Since June 2020, Seven-Eleven Japan has switched from conventional plastic to paper containers for "chilled boxed lunches" sold in the Tokyo metropolitan area (gradually expanding nationwide). Through this initiative, there was a reduction of about 406 tons of plastic in the fiscal year ending February 28, 2021 when compared to conventional containers that use plastic, and the target for the fiscal year ending February 28, 2022 is a reduction in plastic of about 800 tons. In addition, by combining paper material for the parts of sandwich packaging that had used film material, we reduced our use of plastic by about 40%.



Paper container for chilled boxed lunches



Packaging that combines paper material within the red frames

## Use of Forest Thinning Materials

Certain Seven Premium cup soups and yoghurt drinks have containers made with Seven Forest thinning materials. Japan has a large number of unmaintained man-made forests that have been left unattended. With many such forests currently not fulfilling their potential as carbon sinks, use of forest thinning materials can contribute to the creation of healthy forests and prevention of global warming. Forest thinning materials are also being phased in for use in the outer sleeve section of the hot cups used for SEVEN CAFÉ, which is sold mainly at 7-Eleven stores throughout Japan.



Products that use forest thinning materials

➤ [See here for further information about Seven Forest \(in Japanese\)](#) 

## Introduction of Recycled Materials

Ito-Yokado and York are introducing recycled trays manufactured by suppliers that have received Eco Mark certification. In the fiscal year ending February 28, 2022, the introduction of recycled trays reduced annual CO<sub>2</sub> emissions by approximately 2,500 tons.

Moreover, in packaging for lifestyle household goods such as Seven Premium Refillable Body Soap, the Group has adopted recycled materials such as those from PET bottles, some of which are recovered at the Group stores.



Recycled tray



Packaging made from recycled PET bottle material

## Environmental Efforts of SEVEN CAFÉ

Many customers support SEVEN CAFÉ, which is promoting environmental considerations in various ways. For example, forest thinning material is used for the outer sleeves for hot beverages. Cups for iced beverages use a compound material that includes recycled PET. We are also working to cut down our use of limited resources, for example by making cups lighter and thinner. Since the fiscal year ended February 28, 2018, we have developed an antibacterial deodorizer that uses recycled coffee grounds collected from some of our stores. The new product is being used for cleaning at 7-Eleven stores. Moreover, in November 2019, we introduced straws for use at SEVEN CAFÉ that use the biopolymer “PHBH®” from Kaneka Co., Ltd., which is 100% plant-derived and biodegradable, at approximately 10,000 stores. Additionally, the remaining 11,000 stores have introduced FSC-certified paper straws. We are working to reduce the distribution of petroleum-derived plastic straws at all 7-Eleven stores and promoting eco- friendliness at SEVEN CAFÉ.



Environmentally friendly SEVEN CAFÉ



Antibacterial deodorizer that uses recycled coffee grounds

## Introduction of Environmentally Friendly Cutlery to All Stores Nationwide

As a means of curbing the distribution of unnecessary cutlery, such as spoons and forks, for some time now 7-Eleven stores have been asking customers whether they require cutlery with their purchases. Furthermore, beginning with all stores in Okinawa Prefecture (112 as of the end of January 2022), Seven-Eleven Japan introduced cutlery that is 30% comprised of plant-based materials (biomass).

This environment-friendly cutlery introduced in Okinawa Prefecture has been adopted at 7-Eleven stores nationwide in conjunction with the Plastic Resource Circulation Act, which went into effect on April 1, 2022. Going forward, we will further strengthen our efforts to check whether or not customers require cutlery and also work on curtailing petroleum-derived plastics.

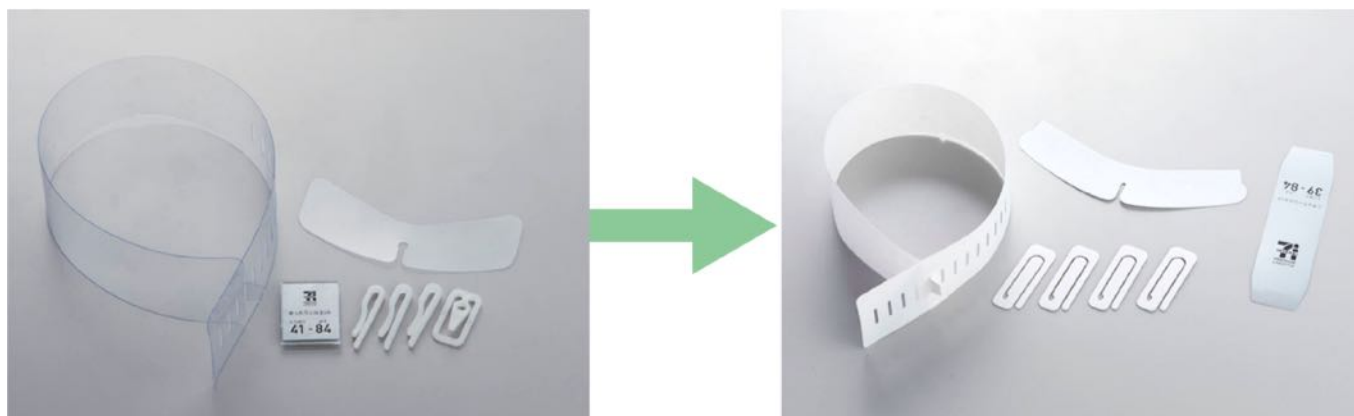
## Changing the Plastic Materials Attached with Shirts to Fiber Paper

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Ito-Yokado in March 2022 refreshed the popular, ultra-shape-holding dress shirts under the Group's Seven Premium Lifestyle private brand products. In order to promote plastic-free, plastic shirt packaging clips other than the outer packaging were changed to fiber paper. This is equivalent to 200,000 plastic bottles\*1 per year\*2 (estimated). Fiber paper is a special reinforced paper as strong as plastic that is produced using a distinct paper making method. In addition to being highly biodegradable due to the nature of paper, its papermaking method is also environmentally friendly and sustainable. Going forward, we are working to make it so that all Seven Premium Lifestyle products can be changed over to use fiber paper.

\*1 PET bottle reference value: Group's private brand products (January 2022 survey, top 10 average values)

\*2 Excluding outer packaging



Changing plastic materials to fiber paper

## Introducing Packaging for Underwear with Green Nano\*

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The Seven & i Group is changing the packaging for the underwear in the Group's "Seven Premium" private brand products to a green nano material in an effort to reduce CO<sub>2</sub> emissions when they are incinerated. The Group expects to use approximately 11 million units of packaging with green nano in the fiscal year ending February 28, 2023, with the target of 12.6 million units by 2025.

\* "Green nano" is a technology developed in Japan to greatly reduce the amount of CO<sub>2</sub> emitted during incineration just by adding a small amount of it to the raw materials for plastic

## Material Issue 3 Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

### Sustainable Procurement of Raw Materials

Seven & i Group has established the Sustainable Procurement Policy that includes traceability, conservation of biodiversity, response to climate change issues, and consideration of human rights, and we have promoted initiatives with the aim of co-existing with nature as set forth in the GREEN CHALLENGE 2050 Environmental Declaration. In addition, in the GREEN CHALLENGE 2050, it is stipulated that we make 50% of food ingredients used in our original products (including Seven Premium) sustainable by 2030, and 100% by 2050.

[Seven & i Group Sustainable Sourcing Principles and Policies](#) >

[“GREEN CHALLENGE 2050” Seven & i Group's Environmental Declaration](#) >



### Approach to Marine Product Procurement

Seven & i Group is working to sell products for which sustainability is guaranteed, such as those certified by the MSC<sup>※</sup>, to pass on the rich blessings of the sea to future generations. Further, to fulfill our responsibility as a retail business that connects producers and customers, we are also focusing on conveying the value of these products and the producers' desires to customers through our stores and websites.

※MSC : Marine Stewardship Council

An organization that operates and manages a system for certifying sustainable and environmentally friendly fishing practices.

<https://www.msc.org/en-us/>

### Sales of Products Certified by the MSC

Since October 2018, in the marine products under Seven & i Group's Seven Premium private brand, 4 cod roe products and 4 karashimentaike (salted cod roe with red pepper) products, and 3 other products (as of the end of February 2022) certified by MSC have been sold at the stores of Seven & i Group. These are natural marine products obtained through fishing practices that are friendly to marine resources and the marine environment and have passed management system inspection even for processing and distribution. In the fiscal year ended February 28, 2022, MSC certified products accounted for 8.2% of Seven Premium marine products.



MSC-certified marine product



MSC label

## Sales of Products Certified by the ASC

At Ito-Yokado, York-Benimaru, and York, 5 products with ASC※ certification are being sold as marine products of the Group's private Seven Premium brand (as of the end of February 2022). ASC certification is conferred upon aquaculture companies that have shown consideration of their responsibilities to the environment and society. In the fiscal year ended February 28, 2022, ASC certified products accounted for 3.7% of Seven Premium marine products.

※ASC: Aquaculture Stewardship Council

An organization that administers and maintains an international certification system related to aquaculture.

<https://www.asc-aqua.org/> 



ASC-certified marine product



ASC label

## Sales of Products Certified by MEL

Ito-Yokado is the first major Japanese retailer to obtain MEL※ certification, a certification system for eco-friendly catching and cultivation of marine products. From April 2020, 4 original “Fresh Fish with Traceability” products—yellowtail, amberjack, red sea bream, and flatfish—were given the MEL mark. With the further certification given to wakame seaweed and ginzake salmon, certified products of a total of 7 varieties of fish are now being sold at 123 Ito-Yokado stores nationwide as of the end of February 2022. Further, to convey the value of these certified products to customers, some stores have installed point-of-purchase ads in fish sections that explain the certifications.

Further, to convey the value of these certified products to customers, some stores have installed point-of-purchase ads in fish sections that explain the certifications.

※MEL: Marine Eco-Label Japan

This marine product eco-label certifies fisheries and aquaculture producers that are actively managing fishery resources with consideration for their sustainable use and conservation of the environment and ecosystems, as well as businesses that process and distribute marine products from such producers.

<https://www.melj.jp/> 



MEL-certified marine product



MEL mark



Point-of-purchase ad that explains marine product certifications

## Sales of Alaska Seafood Products

Seven & i Group stores actively sell and convey to customers the quality of Alaska Seafood products, which are sourced through environmentally friendly fishing practices. Alaska Seafood is all-natural marine products, and strictly manages resources and fisheries in the region of product origin of Alaska, to ensure that no damage results to the ecosystems which conserve the natural marine resource.

In the fiscal year ended February 28, 2022, Sogo & Seibu conducted in-store Alaska Seafood promotions at 7 stores to inform customers about the appeal of Alaska Seafood. Alaska Seafood products were also promoted as ochugen (summer gifts) and oseibo (winter gifts). At Ito-Yokado, sablefish, red salmon, and benisujiko (salted salmon roe) are sold at food sections.

> [Alaska Seafood \(Alaska Seafood Marketing Institute\) website](#) 

## Approach to Agricultural Product Procurement

Seven & i Group is promoting the acquisition of GAP (Good Agricultural Practice) certification for safe farm and aptitude management to promote the procurement of sustainable agricultural products. We also procure certified ingredients, such as those produced with reduced use of pesticide and those made from organic and fair trade ingredients.

### Promotion of GAP Certification Acquisition/Sales of Reduced-pesticide Products

At Ito-Yokado's Seven Farms, which are engaged in recycling-oriented agricultural operations, and under Ito-Yokado's original Fresh Vegetables with Traceability and Fresh Fruits with Traceability products, Ito-Yokado aims to ensure safe agricultural produce, correct farm management, and so forth. Therefore, Ito-Yokado has recommended the acquisition of Good Agricultural Practice (GAP) certification.

GAP is an agricultural production management method recommended by the Ministry of Agriculture, Forestry and Fisheries of Japan. It provides a set of standards to be followed in daily farm management to increase food safety and ensure environmental conservation. The minimum necessary levels of agricultural chemicals are used as GAP includes initiatives relating to food safety and environmental conservation.

Moreover, Ito-Yokado and York-Benimaru sell original products that use fewer agrichemicals than the values regulated by law. Examples include the original Fresh Vegetables with Traceability and Fresh Fruits with Traceability products sold at Ito-Yokado. They are grown with fewer agrichemicals and assure traceability of the growing region and growing history. Sales of all foods in the Traceability series including these products in the fiscal year ended February 28, 2022 at Ito-Yokado topped ¥24.3 billion.

Furthermore, the methods and frequency of use of agricultural chemicals vary by region and crop. The Fresh Vegetables with Traceability category and certain other products comprise foods grown with the goal of applying agrichemicals with half or lower of the usual frequency of each growing area (the average number of applications for each crop stipulated by local government organizations and other public bodies).

## Number of GAP-certified※1 personnel and sales of Fresh Vegetables with Traceability and Fresh Fruits with Traceability

Ito-Yokado & York-Benimaru Number of GAP-certified※1 personnel

	FY2019	FY2020	FY2021
Ito-Yokado	200*2	200*2	212
York-Benimaru	—	72	94

\*1 Including JGAP and other GAP certifications

\*2 Approximate number

Ito-Yokado Sales of Fresh Foods with Traceability

	FY2018	FY2019	FY2020	FY2021
Sales (100 million yen)	226	228	246	243

\* Approximate number



Fresh Vegetables with Traceability (traceable fresh vegetables with a face of the producer)

## Five Promises of Fresh Vegetables with Traceability and Fresh Fruits with Traceability

1. These lines deal with only domestically grown agricultural products.
2. Producers who properly grow vegetables on suitable land are carefully selected from all over Japan.
3. Products are delivered to customers under the name of each individual producer.
4. Discerning techniques and personalities are introduced on the website and on sales floors.
5. Agrichemical reduction targets are set and continuous checks are performed on agrichemicals and radioactive materials..

## GAP Initiatives (Excerpt)

### ■ Food safety (create and implement rules to maintain food safety)

- Measures for preventing and reducing pollution caused by heavy metals and mycotoxins derived from the environment
- Proper storage and use of pesticides, personal health and hygiene management of workers
- Safe storage and handling of agricultural machinery, etc.
- Prevention of foreign matter intrusion, storage methods for harvested crops, etc.

### ■ Environmental conservation (create and implement rules to protect the safety of farms and surrounding environment)

- Prevention of environmental contamination due to pesticides
- Appropriate soil management
- Proper waste/wastewater treatment methods
- Cutting down on unnecessary and inefficient energy consumption
- Creation of measures to mitigate damage due to harmful birds and wildlife, etc.

## Sale of Organic JAS-certified Foods

Under Seven & i Group's Seven Premium private brand, we sell organic JAS-certified products such as bamboo shoots and other agricultural products, as well as coffee and other processed foods. Ito-Yokado also sells organic JAS-certified products as original Fresh Vegetables with Traceability products.

## Sale of Certified International Fair Trade Products

Under Seven & i Group's Seven Premium private brand, we sell coffee beans, cacao and other products that have acquired International Fair Trade Certification, a system that supports the sustainability and diets of producers in developing countries.

## Palm Oil Procurement

Palm oil is widely used in various processed foods as well as in household goods such as detergents, but problems have been indicated, such as destruction of the environment in countries where it is produced and the use of child labor and forced labor on farms. Seven & i Group joined the Roundtable on Sustainable Palm Oil (RSPO) in January 2020. Palm oil that is guaranteed to be sustainable is being used for some of the Group's "Seven Premium" private brand products.

## Procurement of Organic Cotton

In response to growing interest in products that are safe and secure for our customers, and environmentally friendly, Seven & i Group has promoted the procurement of organic cotton for underwear and bedding as part of its sustainable procurement efforts. Starting February 2020, to convey the value of organic cotton to customers in an easy-to-understand manner, we started selling products with a common symbol displayed that satisfy certain conditions, such as being internationally certified through the American Organic Content Standard (OCS) or Global Organic Textile Standard (GOTS).



Organic cotton symbol 1



Organic cotton symbol 2

## Sale of Organic Cotton Products

Seven & i Group sells women's 100% Organic Cotton Innerwear products that have cleared strict organic production standards under the Seven Premium private brand. These products are sold at 114 Ito-Yokado stores throughout Japan (as of the end of February 2022) and the Group's online shop. Only organic cotton that meets U.S. Organic Content Standards (OCS) is used as a raw material in these products. We also sell bedding, such as quilt covers and pillowcases, and towels made of organic cotton.



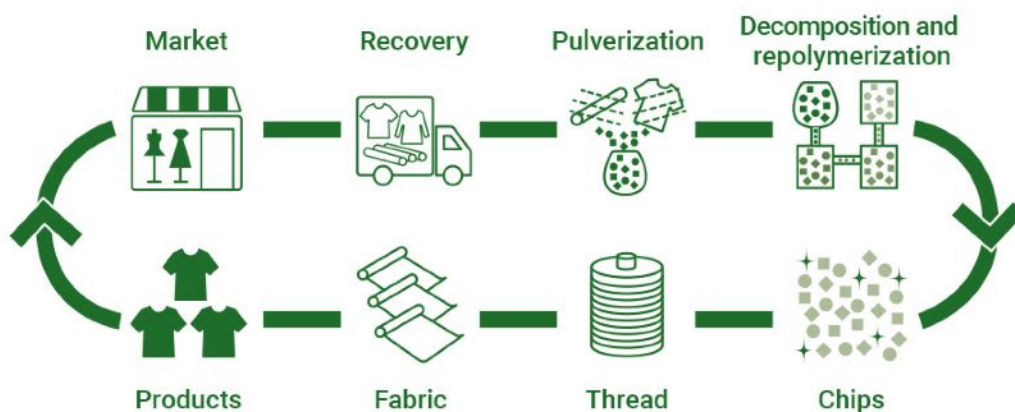
Seven Premium Lifestyle 100% Organic Cotton Innerwear

## Sale of Products Using Recycled Fibers

Seven & i Group is making efforts to develop and sell products using recycled materials to facilitate procurement which is sustainable and conscious of the global environment.

### Sale of Products Using Recycled Polyester

Ito-Yokado began to sell casual wear made with the recycled polyester “RENU®,” created by recovering and recycling previously discarded garments and clothing fabrics. In the fiscal year ended February 28, 2022, we carried items, including women’s and men’s t-shirts, shirts, and lower body garments for purchase at approximately 100 stores. Moving forward, we are aiming for sales for FY2022 of approximately ¥1500 million and 700,000 units under a plan to further expand our range.



### Sale of Eco-Friendly Umbrellas

“Eco-friendly Revolving Umbrellas (Men’s),” a part of the Seven Premium range, the private brand of Seven & i Group, are sold at 106 Ito-Yokado store nationwide (in FY2021) as well as the Group’s integrated portal website, omni7. This product is an eco-friendly umbrella with a water-repellent finish which does not use fluorine, made using recycled polyester in the umbrella fabric. It is designed to be wind-resistant to revolve and adjust to winds, giving it excellent durability.



Men’s “Seven Premium Lifestyle”  
Eco-friendly revolving umbrella



Men’s “Seven Premium Lifestyle”  
Eco-friendly revolving foldable umbrella

## Animal Products Procurement

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Ito-Yokado's original product "Fresh Meat with Traceability" is designed to deliver safe and reliable products to customers. In cooperation with the producers, Ito-Yokado is committed to providing quality rearing environments, environmentally-friendly feeding, minimizing the use of antibiotics, hormones, and other pharmaceuticals; keeping all the administration record is mandatory.

For the product, our procurement officers/merchandisers check with producers at the production sites to ensure that they are applying appropriate feeding and rearing 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 certification is obtained.

Ito-Yokado also promotes the acquisition of JGAP (livestock) certification in the production area of "Fresh Meat with Traceability." JGAP (Livestock) audit standard consists of 113 items that are important for sustainable farm management, including food safety, considerations for the health of animals (animal hygiene) and a comfortable environment for raising the animals (animal welfare), measures for ensuring the safety of workers, and environmental protection.

### ■ Five Promises of Fresh Meat with Traceability

- These lines deal with only domestically grown animal products.
- Producers who focus on quality feed and rearing environments are carefully selected from all over Japan.
- Products are delivered to customers under the name of each individual producer.
- Discerning techniques and personalities are introduced on the website and on sales floors.
- Antibiotics are used as little as possible, and substances and radioactive materials are checked continuously.

### ■ Seven initiatives for the Sustainability of Agriculture (GAP)

- Trustworthy Farm Management
- Securing Food Safety
- Ensuring Environmental Protection
- Securing Worker Safety
- Workers' Human Rights and Welfare
- Ensuring Animal Hygiene
- Animal Welfare considerations

> [JGAP \(Basic - Fruits and Vegetables\) can be seen here](#) 

> [JGAP \(Livestock and Livestock Products\) can be seen here](#) 

> [Japan GAP Foundation website can be seen here](#) 

\*Animal welfare: Rearing of an animal in consideration of its comfort

(Source: Control Points and Compliance Criteria (for Farms) Livestock and Livestock Products 2017)

One of the criteria for JGAP certification is to take measures based on the "Guidelines for Animal Feeding Management Based on the Concept of Animal Welfare."

The "Guidelines for Animal Feeding Management Based on the Concept of Animal Welfare" states that it is important to conduct livestock feeding management with consideration for comfort, comprehensively taking into account the "five freedoms" (i.e. (1) freedom from hunger, thirst and malnutrition, (2) freedom from fear and distress, (3) freedom from physical and thermal discomfort, (4) freedom from pain, injury and disease, and (5) freedom to express normal behavioral patterns) mentioned in the introduction of the OIE (The World Organisation for Animal Health).

## Approach to Usage of Forest Resources

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Seven & i Group is making efforts to use wood and paper products produced from properly managed forests.

### Use of FSC®-Certified Paper

Seven & i Holdings is promoting use of paper with FSC® certification and PEFC certification, which leads to forest preservation. In March 2017, we started using FSC®-certified paper for paper board boxes in our Seven Premium private brand. As of February 28, 2022, FSC®-certified paper is used for 281 items including ice cream containers, and PEFC-certified paper is used 32 items. At Seven-Eleven Japan, since the fiscal year ended February 28, 2017, we have been adopting FSC®-certified paper for the display stands for selling SEVEN CAFÉ bakery items. Meanwhile, at Seven Bank, cash envelopes at ATMs and the Bonolon, Warrior of the Forest magazine are made using FSC®-certified paper.

※FSC®N002571

※FSC® certification is an international certification system for certifying the proper processing and distribution of wood harvested from forests which are certified to be properly managed.

## Material Issue 4 Achieve a society in which diverse people can actively participate

### Approach to the Material Issue

The Seven & i Group believes it is significant to realize a society in which diverse people with various backgrounds and values, including race, nationality, gender, age, religion, disability, and sexual orientation, can participate actively.

Promoting cross-cultural understanding and supporting the next generation who will create the society of the future will lead not only to the development of society as a whole but also to the provision of products and services demanded by society. We continue to promote initiatives that enable the entire society, as well as our group, to respect various values and lifestyles.

- Relevant policy

[Seven & i Group Corporate Action Guidelines](#) >

[Seven & i Group Human Rights Policy](#) >

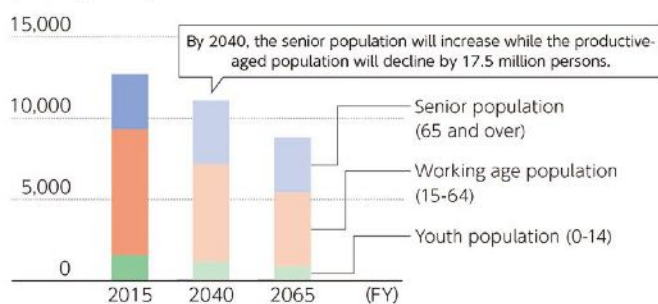
### Background to the Material Issue

#### Aging Population and Decline in Productive-Aged Population

In Japan, the birth rate is in decline, and the population is advancing in age, leading the productive-aged population to decline. By 2040, the productive-aged population is projected to decline by approximately 17.5 million as the senior population increases. Supporting the development of the next generation is important for realizing a better society.

#### Population Projections for Japan in 25-Year Periods

(10,000 persons)



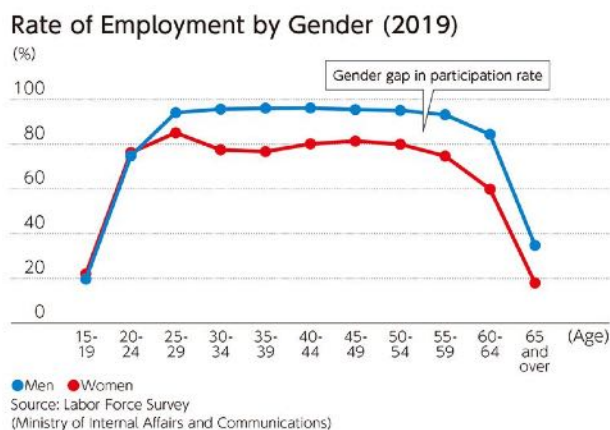
Legend: Actual (Blue), Projected (Orange)

Source: Population Estimates, statistics Bureau, Ministry of Internal Affairs and Communications Population Projections for Japan (2017 Estimates). Statistics from the National Institute of Population and Social Security Research

## Supporting Active Participation of Women

With the productive-aged population in decline, it is essential to promote active participation by women. However, many women are denied the opportunity to work, for example, because it is not possible to balance work with childcare, or because they have been unable to return to work after childcare. Furthermore, in Japan, the ratio of women in management - at 12.4%\* (2020) for those in positions equivalent to section manager and above - is relatively low by international standards. Creating a society where women can participate actively is therefore an important task.

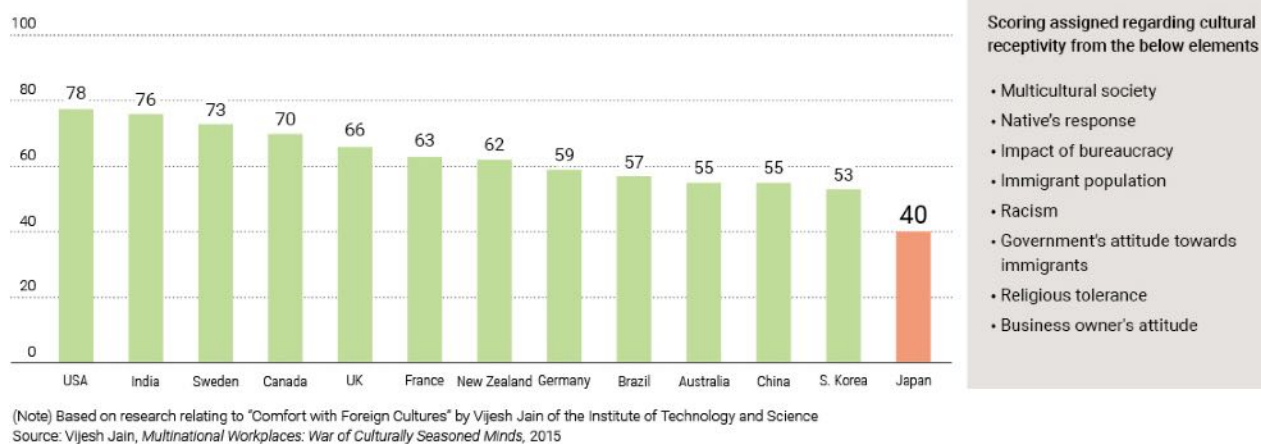
\* From "Basic Survey of Gender Equality in Employment Management in FY2020," Ministry of Health, Labour and Welfare



## Receptivity to Other Cultures

Compared to multiple countries, Japan's receptivity to cultures different from one's own is particularly low. To create a society in which diverse people can participate actively, we must respect other cultures as well.

### Comfort with foreign cultures



## Contribution to SDGs

By addressing this material issue, the Seven & i Group will support the active participation of diverse people, including gender equality, and contribute to achieving goals 5 and 10 of the Sustainable Development Goals (SDGs).



## Seven & i Group's Initiatives

Support the Development of  
the Next Generation >

## Material Issue 4 Achieve a society in which diverse people can actively participate

### Support the Development of the Next Generation

Amid the trend toward nuclear families, there are often fewer people whom parents can easily turn to with questions about raising their children. In light of this, Seven & i Group offers various types of support through its stores.



### Maternity and Childcare Counseling Service

Ito-Yokado and Sogo & Seibu has placed maternity and childcare consultation offices in 100 stores and Pre-Mama Stations in 5 stores (as of the end of February 2022). Here, consultants certified as public health nurses and midwives provide free consultations on health during pregnancy and childcare. Each of these facilities offers restrooms equipped with such conveniences as diaper-changing tables, private spaces for breastfeeding, water heaters for milk formula, and toilets for children. In addition, the consultants also collect information on the types of assistance offered by local governments and provide this information to users.



Childcare consultation office

#### Number of Ito-Yokado Childcare Consultations (Users)

FY2017	FY2018	FY2019	FY2020	FY2021
245,988	239,934	224,552	111,326※	137,559※

※In response to the declaration of a state of emergency amid the spreading COVID-19 pandemic, 78 stores closed their maternity and childcare consultation offices from April to June 2020. The number of users decreased again in FY2021 due to temporary closures of offices in response to such factors as the state of infections in the surrounding area of the stores.

## Childcare Support Events

Ito-Yokado holds various events to provide childcare advice and encourage mutual interaction among parents. The company also actively takes part in events in collaboration with universities, municipalities and several product manufacturers to maintain and promote the health of mothers, offer techniques for relaxation and rejuvenation and provide helpful childcare-related information. The overarching theme of the events is “enjoyment at home through public-private-academic partnerships.” Through these events, it is helping to expand community childcare support networks. (To prevent the spread of COVID-19, no events were held in the fiscal year ended February 28, 2021 or February 28, 2022.)

And since 2021, Ito-Yokado has started holding Kids Workplace Experience Tours, where parents and their children can enjoy learning. These tours are events at which they can join workplace experience programs at Ito-Yokado and learn about such matters as initiatives that are considerate of hygiene management and the environment from the perspective of SDGs.



Kids Workplace Experience Tour, where they learn from the perspective of SDGs

## Supporting Career Education

To support career education at elementary schools, junior and senior high schools, and universities, Seven & i Group cooperates with requests from schools by sending out employees to each school, providing workplace tours, and holding workplace experience programs at its Group stores, where participants have the chance to take part in conducting familiar retail store operations.

### 7-Eleven Store in Shinagawa Student City

Seven-Eleven Japan has a store in Shinagawa Student City, which has been run jointly by Shinagawa-ku and Junior Achievement Japan since 2003. The concept of Shinagawa Student City is to create a virtual town inside an elementary school, with various companies setting up shops and providing experience of working and society. The children working in the 7-Eleven store experience customer service, store shelf organization, and other operations to learn about the systems of society.



Shinagawa Student City

➤ [More details about the Student City economic activity experience can be found here \(in Japanese\)](#) 

## Workplace Experience at Stores

Ito-Yokado welcomes elementary, junior high, and senior high school students from educational institutions for workplace experience programs. They experience the joy of thinking up and expressing their own proposals through such interactions with customers as coordination proposals and in-store sampling, and they experience the importance of complying with basic standards to ensure safety and reliability. To prevent the spread of COVID-19, it conducts workplace tours using online conferencing tools in the fiscal year ended February 28, 2021 or February 28, 2022.

York provides opportunities to observe the food processing operations and to practice stocking the shelves in the store with products. Around 7,000 elementary and junior high school students participate each year. To prevent the spread of COVID-19, stores refrained from holding such in-store studies in the fiscal year ended February 28, 2022. Among other things, however, they did respond to interviews from teachers and distribute the CSR booklet "*Our Initiatives for Society*" and the Environment to students.



Workplace experience program with online conferencing tools (Ito-Yokado)

## Workplace Experience at Training Center

Seven & i Group training facility, Ito Training Center, provides store shelf organization and food processing experiences, as well as opportunities to provide service from various customer perspectives, such as helping customers in wheelchairs. Through these experiences, students can feel the value of working and the joy of interacting with customers.



Learning about cash registers through hands-on experience at Ito Training Center

## Outreach Classes for Company-School Exchange

Seven-Eleven Japan holds outreach classes at an elementary school as a part of the Yomiuri Education Network, which seeks to increase interactions between companies and schools. Through the group work, the children come to understand in a fun way the roles that 7-Eleven plays in society. At the same time, they learn about how the products and services of 7-Eleven, which aims to build stores that are convenient and close to people, have changed (CRM strategy\* and response to SDGs) in accordance with changes in society (changes in customers' needs). The class provides a good opportunity for children to think about their society from the everyday perspective of a convenience store.

\*CRM strategy: Customer Relationship Management strategy

This is a management strategy/method aimed at expanding sales and improving profitability through improving customer satisfaction and loyalty.



Outreach class in progress

## Support through Free Picture Book, Bonolon, Warrior of the Forest

Since 2005, Seven Bank has cosponsored and cooperated in the publication of Bonolon, Warrior of the Forest\*, which is a free picture book created with the hope that such qualities in the heart-warming world of Bonolon as kindness and courage will help future generations grow to have enriched minds. Among other activities, the bank also distributes picture books free of charge and holds storytelling sessions led by employees to contribute to the sound development of the youth.

\*With the aim of making them readily available for children, parents, and grandparents all over Japan, approximately 800,000 copies are issued every even month and distributed free of charge at 7-Eleven stores and Denny's restaurants throughout Japan as well as York-Benimaru stores, Akachan Honpo stores, and elsewhere.



Storytelling session led by employee volunteers

## Support for Dietary Education

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Seven & i Group promotes dietary education activities for children through various experiences in order to prepare them to be people who can convey knowledge about foods and practice sound and healthy dietary habits.

For example, some Denny's restaurants operated by Seven & i Food Systems regularly hold dietary education classes for children. These classes are opportunities for children to learn about how to use chopsticks, knives, forks, and spoons as well as proper table posture and other basic etiquette. They are also opportunities to learn in an enjoyable way through explanations using ingredient-themed panels and quizzes on seasonal vegetables, and more. While stores have refrained from holding face-to-face classes to prevent the spread of COVID-19 since 2020, it holds dietary education classes via online meeting tools.



Dietary education class

## Material Issue 5 Improve work engagement and environment for people working in Group businesses

### Approach to the Material Issue

In the entire Seven & i Group, approximately 170,000 people work. Workplaces include part-time employees, foreign nationals, and employees working short hours due to childcare and family care responsibilities. With this diverse workforce, we recognize that we have a duty as a corporation to support diverse working formats. We support the careers of our diverse employees and strive to create appealing workplaces that make work worthwhile. This enables us to steadily acquire diverse human resources, and also drives us to incorporate completely new ways of thinking and generate new value. It is therefore a source of competitiveness.

- Relevant policy

[Seven & i Group Corporate Action Guidelines](#) >

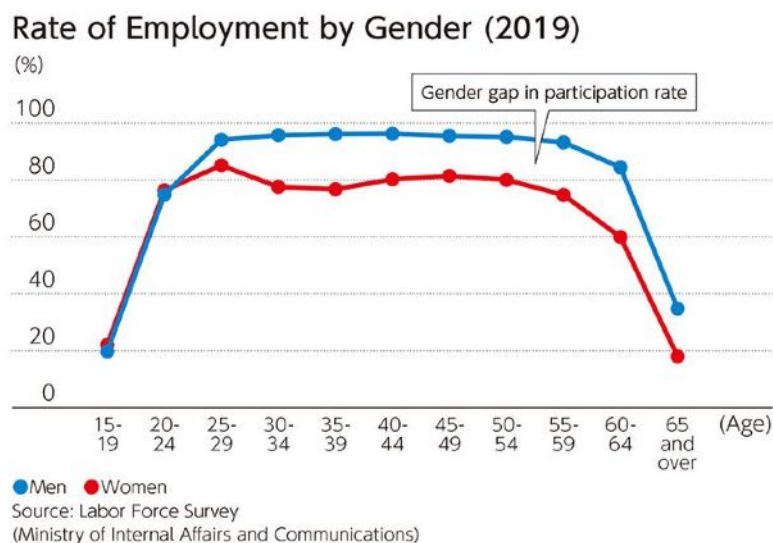
[Seven & i Group Human Rights Policy](#) >

### Background to the Material Issue

#### Supporting Active Participation of Women

With the productive-aged population in decline, it is essential to promote active participation by women. However, many women are denied the opportunity to work, for example, because it is not possible to balance work with childcare, or because they have been unable to return to work after childcare. Furthermore, in Japan, the ratio of women in management - at 12.4%\* (2020) for those in positions equivalent to section manager and above - is relatively low by international standards. Creating workplaces where women with high capabilities can play active roles is, therefore, an important task.

\* From "Basic Survey of Gender Equality in Employment Management in FY2020," Ministry of Health, Labour and Welfare



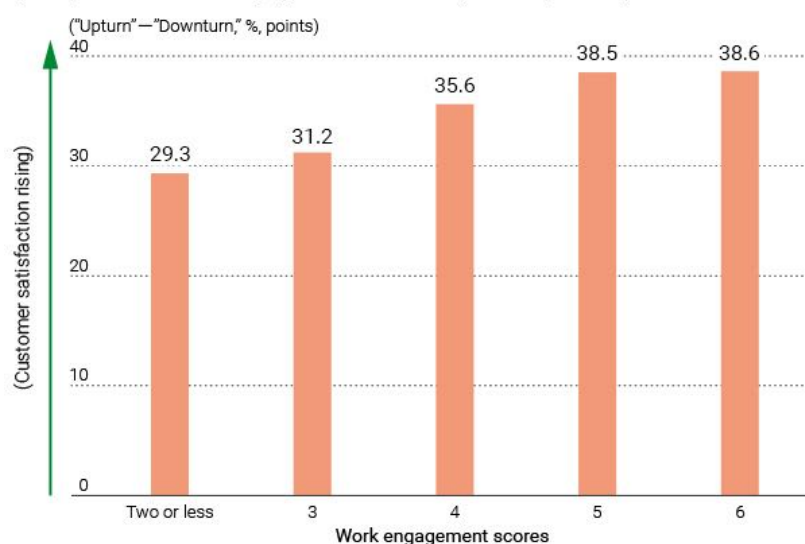
## Improve Workers' Motivation

Most workers spend much of their day working at their companies. However, it is said that the motivation to contribute to the company is lower in Japan than in the rest of the world, and the challenge is how to make workers feel more motivated.

## Improve Work Engagement

It is believed that there is a positive correlation between the Work Engagement Score, in which people feel pride and satisfaction in their work and are lively and enthusiastic about it, and customer satisfaction. Improving work engagement and environment for people working in Group businesses will lead to higher satisfaction not only for the Group itself, but also for its customers.

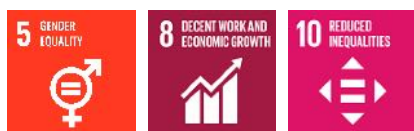
**Company awareness relating to customer satisfaction levels indicated by respective work engagement scores (all companies)**



Source: Independent aggregation by the Policy Planning Division assistant to the Director-General for Policy Planning and Evaluation, Ministry of Health, Labour and Welfare from individual data in the Japan Institute for Labour and Policy Training “Survey on current circumstances surrounding personnel shortfalls and related issues and workstyles etc.” (2019)

## Contribution to SDGs

By addressing this material issue, the Seven & i Group will contribute to achieving goals 5, 8, and 10 of the Sustainable Development Goals (SDGs) by improving work engagement and environment for people in the Group's businesses regardless of gender or age.



## Seven & i Group's Initiatives

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**Diversity and Inclusion** >

**Achieving a Work-Life  
Balance** >

**Support for Enhancing the  
Abilities of Employees** >

**Assuring Fair Assessment  
and Treatment of Employees**  
>

**Consideration for Employee  
Health and Occupational  
Safety and Health** >

**Employee Engagement  
Survey** >

**Sound Labor-Management  
Relations** >

## Material Issue 5 Improve work engagement and environment for people working in Group businesses

### Diversity and Inclusion

Seven & i Group is building an organization in which diverse human resources are motivated to demonstrate their abilities and in which the company and employees can grow together by strengthening the linkage between management strategy and human resources strategy. In the entire Group, approximately 170,000 people work. Our workplace includes employees working short hours due to childcare and family care responsibilities, part-time employees, and non-Japanese employees. Seven & i Holdings supports the activities of this diverse workforce and strive to build work environments that enable employees to work with satisfaction. We also recognize that such an approach leads to the improvement of productivity and securing human resources and in turn to the improvement of customer satisfaction and generation of innovation, which are the wellspring of our competitiveness.



### Targets and Steps for Promoting Diversity and Inclusion

To promote diversity and inclusion, Seven & i Holdings established the Diversity Promotion Project in 2012 and set five targets, including for the ratio of female managers. We have been conducting our initiatives in accordance with decided themes. Thus, after establishing the promotion structure in FY2012, in FY2013 we implemented measures for raising awareness among women themselves and revised the operation of the system; in FY2014 we set about raising the awareness of management-level employees; since FY2015 we have been supporting the balancing of work and family care responsibilities, since FY2017 we have been promoting understanding of LGBT issues. and since FY2019 we have been promoting Diversity 2.0.

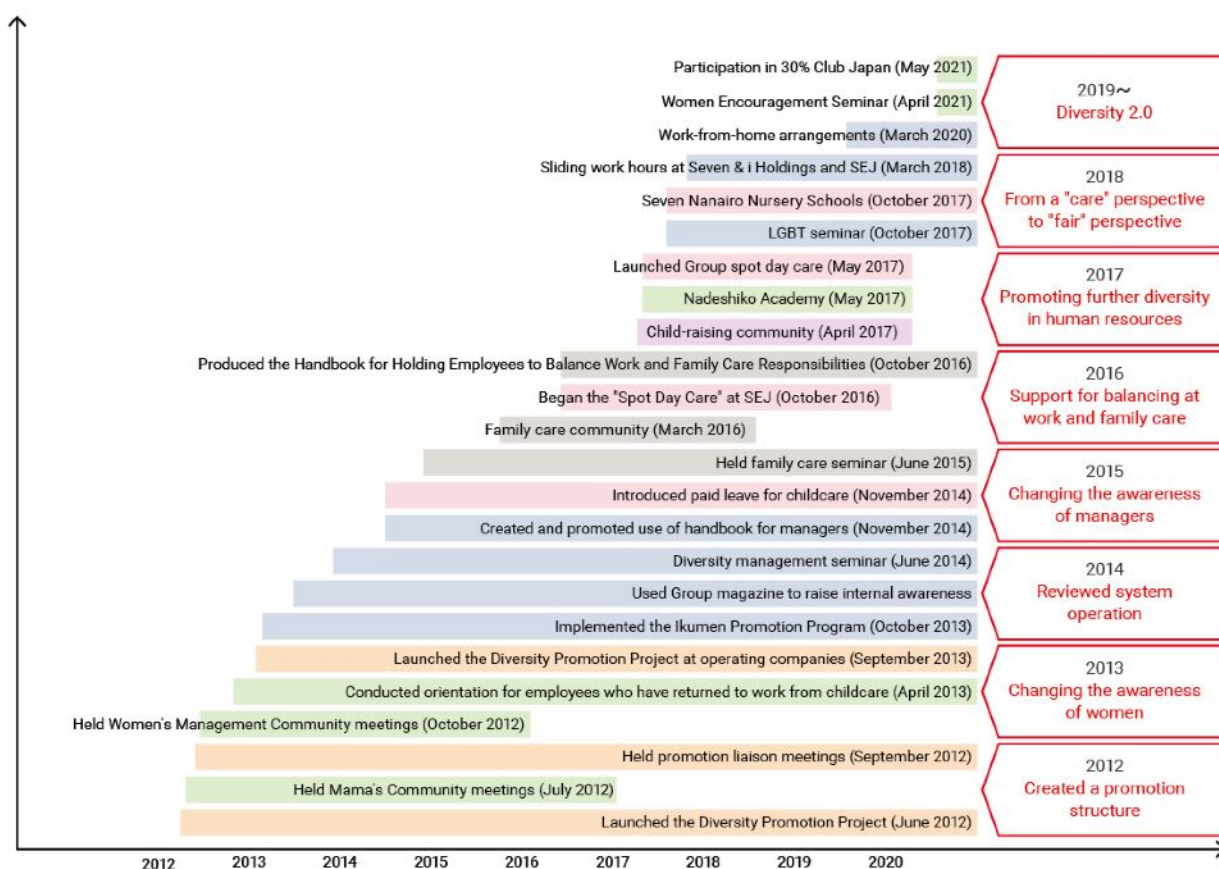
To strengthen our diversity and inclusion activities, and especially initiatives relating to the promotion of the activities of women, in May 2021 we joined the 30% Club Japan and set a new target of raising the ratio of female executive officers to 30% by the end of February 2026. At the same time, we have also reviewed working formats for greater productivity, focusing on rectifying long working hours, which have been a barrier to the further advancement of diverse human resources, and on achieving employee work-life balance.

#### Diversity Promotion Targets

1. Ratio of female executive officers: Raise to 30% (by the end of February 2026) ※1  
Ratio of female managers: Raise to 30% (by the end of February 2022)※2
2. Encourage male employees to participate in housework and childcare
3. Eliminate retirements resulting from need to provide family care
4. Promote normalization
5. Encourage understanding of LGBT

※1 Totals are for six companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, Sogo & Seibu

※2 Totals are for eight companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, Seven Bank



## System to Promote Diversity and Inclusion

Based on the commitment of its top level members, Seven & i Holdings established the Seven & i Group Diversity and Inclusion Promotion Project (initially referred to as the Diversity Promotion Project) in 2012 within the Corporate Ethics and Culture Subcommittee under the CSR Management Committee. This project has involved the formulation of policies for activities to promote diversity and inclusion at the Group as well as the formulation and execution of Group-wide measures. From 2013 specialized organizations for diversity have also been established including Seven-Eleven Japan and Ito-Yokado. Such organizations have set individual goals in accordance with the characteristics of each Group company and initiatives are being implemented. In addition, a Diversity Promotion Liaison Council - at which persons in charge of diversity promotion at 11 main Group companies, is held on a regular basis. The aim of this council is to share information on the progress of and issues related to promotion activities at each Group company while also expanding superior initiatives to other Group companies. The details of activities are reported on regularly at the Corporate Ethics and Culture Subcommittee at which personnel and CSR managers from 28 Group companies attend, and the CSR Management Committee chaired by the President and Representative Director of Seven & i Holdings. The aim is to spread and bring to concrete fruition diversity and inclusion activities throughout the entire Group.

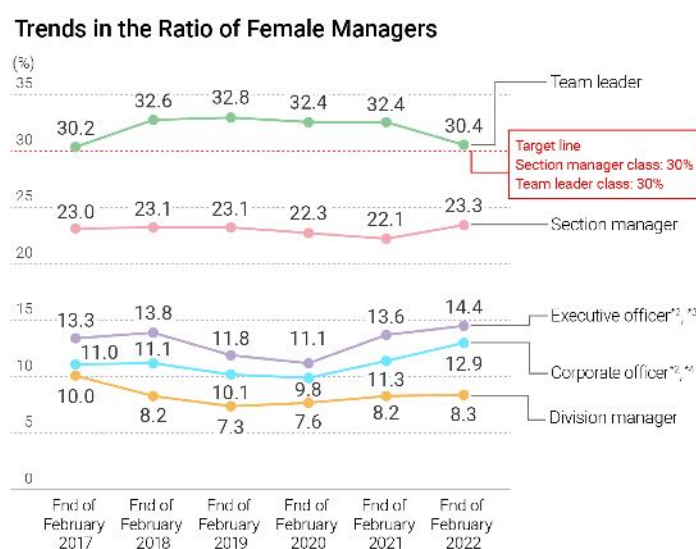
> [Website for the Declaration on Action by a group of male leaders who will create "A Society in which Women Shine" \(Gender Equality Bureau, Cabinet Office\)](#)

General Employers Action Plan pursuant to the Act on the Promotion of Women's Participation and Advancement in the Workplace (in Japanese)

- > [Seven & i Holdings](#)
- > [Seven-Eleven Japan](#)
- > [Ito-Yokado](#)
- > [Sogo & Seibu](#)

## Changes in the Ratio of Female Managers

Seven & i Group is working to promote highly capable women and further bolster personnel training to meet the goal of a 30% ratio of female managers, one of our targets for diversity promotion. As of the end of February 2022, the ratio of female managers has increased to 30.4 % for team leaders and 23.3% for section managers. There has also been progress in changing awareness among female employees and managers, and there are now many managers in the midst of child raising as well as in the short working hours program. At present, we are working to train and promote women by holding selective training for managerial roles and management track candidates at the Group companies and encouraging them to share career plans with supervisors during individual meetings.



\*1 Total for eight Group companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, Seven Bank

\*2 Total percentage of female corporate officers and executive officers at six Group companies (Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, Sogo & Seibu) as of May 31

\*3 Excluding directors who are executive officers

\*4 Corporate Officer is the total of directors, auditors, and executive officers

## Fostering a Culture Where Diverse Human Resources Can Play an Active Role

Seven & i Group is working to foster a culture where women and other diverse human resources can play active roles by conducting community activities and training targeting various levels within the Group.

### Career Development Support for Women

Seven & i Holdings continues to undertake initiatives that support women's career development as part of positive action.

As a recent initiative, in 2021 we launched the Female Encouragement Seminar to provide Group-wide training aimed at fostering female manager candidates. Female employees from 22 Group companies take part in the seminar.

In this seminar, participants listen to talks by the president and other members of management on such topics as the Group's management policy and philosophy, product strategy, and efforts to achieve Sustainable Development Goals, and have discussions with other participants. Since the seminar is implemented online, women from around Japan can take part, and women working shorter hours due to parenting can participate too. The seminar is an opportunity to let women hear lectures from a perspective and position differing from their everyday work and to raise their interest in management. In addition, the discussions among employees with diverse academic and career backgrounds and jobs serve to increase motivation. Participants have frequently made such comments as "I was encouraged by the comments of women working in the same Group" and "It was stimulating."



Female Encouragement Seminar

## Training and Awareness-raising for Management

Seven & i Holdings has held the Diversity Management Seminars since 2014 as a Group-wide initiative to emphasize the importance of diversity and inclusion and to change the awareness of managers on the management of diverse human resources. The seminars have been held 22 times as of the end of February 2022, and approximately 5,700 people from all Group companies have participated. Led by outside lecturers, the seminars cover such issues as the management of diverse staff members, improving work style, and leadership. They provide the opportunity for managers to think about diversity from a number of different perspectives.

In addition, the Group companies are promoting understanding among managers of the significance of diversity management and support for the balancing of work with childcare and family care responsibilities to further train managers to make good use of their diverse human resources to generate results.

For example, starting in 2021 Seven-Eleven Japan has been inviting outside lecturers to begin training on the subjects of diversity management and unconscious bias with the goal of encouraging understanding among managers. It has also been providing training for managers since July 2021 on normalization support. This aimed at creating opportunities to deepen managers' understanding of colleagues and subordinates with disabilities and to learn about how to deal with customers who have disabilities or cognitive impairments.

In its level-based executive training, Ito-Yokado is implementing sessions on the management of diverse subordinates, including the importance of workplaces where diverse employees can apply themselves, the understanding of programs for supporting the balance between childcare and family care with work, and the evaluation of employees in the short working hours program.

## Awareness-raising of LGBT Rights

Seven & i Holdings revised the Corporate Action Guidelines in 2016 and began implementing measures outlined in the "Forbidding Discrimination Due to Sexual Orientation or Sexual Identity". Each year since 2017, we have been conducting seminars for promoting understanding of LGBT rights led by an outside speaker. By the end of February 2022, a total of about 600 employees in the Group had attended these seminars. In the fiscal year ending February 28, 2022, we posted videos of the LGBT seminars and a leaflet outline basic knowledge necessary for stores on our website so that all Group employees can view them and as many as possible can acquire basic knowledge about LGBT rights.

## Support for Active Participation of Seniors and Non-Japanese Employees

Seven & i Group companies have a system for rehiring employees after mandatory retirement, providing an opportunity for experienced workers to use their skills and abilities.

At Ito-Yokado, for example, a re-employment system that allows people to continue working until age 65 was introduced in 1995 in response to employees who said they wanted to continue working after the mandatory retirement age. Employees can select from three options of working days and hours to suit their wishes, enabling them to work in diverse ways. From April 2006 the Senior Part-timer System was implemented to allow part-time employees to work until age 65 as well. As of the end of February 2022, 7,359 senior part-timers were active in the Group. The system was expanded in May 2017 to enable people to continue working up to the age of 70. Furthermore, as of the end of February 2022, 1,038 non-Japanese employees were working in the Group.

Amid the low birthrate, aging of society, and shrinking working-age population, Seven-Eleven Japan is creating employment opportunities for seniors who want to work. For seniors recruited by stores, including franchised stores, head office instructors give careful and considerate explanations of how to handle equipment and deal with customers to allay their fears about operating the cash registers. The ratio of employees of non-Japanese nationality working at stores, including franchised stores, is also increasing. As of the end of February 2022, the national average was approximately 9.3%, and the number of non-Japanese staff was about 38,400. In September 2020, we started so-called Hospitality Training, providing lectures to foreign students and other non-Japanese employees on the basics of Japanese culture and customer response. In the fiscal year ending February 28, 2022, about 280 employees received this training.



Job Seminar for Seniors (Seven-Eleven Japan)



Hospitality Training (Seven-Eleven Japan)

## Promotion of foreign nationals and mid-career hires

The Seven & I Group has long actively promoted overseas employees to local management positions. Our new Medium-term Management Plan announced in July 2021 calls for the strengthening of global strategies, and we are focusing on the development and promotion of core human resources to support these global strategies. We position mid-career hires as "work-ready" persons, and in FY2021, a total of 205 mid-careers joined 8 group companies<sup>※</sup> of the Group.

Although we do not set specific targets for the appointment of foreign nationals and mid-career hires, we evaluate their abilities and achievements fairly and promote them to management positions regardless of their nationality or employment status (new graduate or mid-career hire) so that a diverse range of human resources can demonstrate their abilities.

<sup>※</sup>Totals are for eight companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, Seven Bank

## Promoting Employment of People with Disabilities

Seven & i Holdings is assisting people with disabilities to demonstrate their abilities at their workplaces based on its commitment. Providing an environment where everyone can play an active role, each Group company consults with employees with disabilities to determine the workplaces, jobs and working hours that are suitable in consideration of the level and details of their disability and their own preferences. In this way, people with disabilities work in various divisions. In recruitment, we coordinate with special-needs schools to provide onsite training in stores and participate in job interviews organized by local employment agencies and partner with vocational schools. Furthermore, all Group companies are provided with the Seven & i Holdings Normalization Support Guide, which contains basic knowledge and practical recruitment methods when employing people with disabilities, to ensure that all recruitment and training personnel of the Group companies understand disabilities and that they considerate to employees with disabilities.

### Promotion of the Employment of People with Severe Disabilities

In 1994, Terube, Ltd. was established with joint funding of five companies (Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, and Seven & i Food Systems) and the city of Kitami in Hokkaido. Terube is a special subsidiary founded to promote the employment of people with severe disabilities. As of June 1, 2022, Terube employed 21 people with disabilities, and the Group's employment rate of people with disabilities※, including Terube, was 2.98%.

The goal for the fiscal year ending February 28, 2023 is 2.98%. In recognition of its efforts in the 23 years since its founding to practice normalization with the aim of creating workplace environments amenable to people with disabilities, Terube became the commemorative first company to be certified as the Employer Promoting the Active Roles of Persons with Disabilities in 2017, the first year that certifications were issued by the Japan Association of Employers of Persons with Disabilities.

※The Group's employment rate of people with disabilities covers the five companies of Seven & i Holdings, Terube, Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

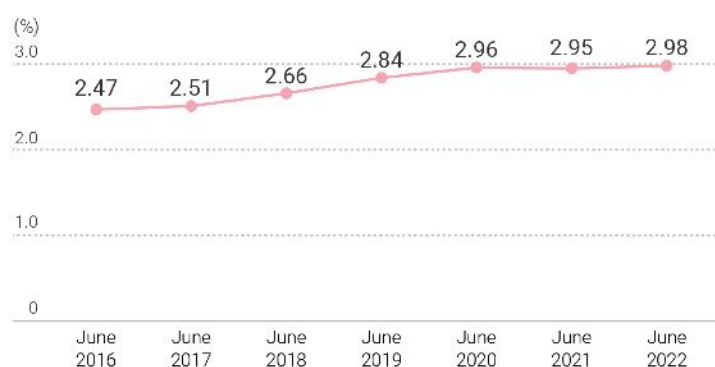


Special subsidiary, Terube Ltd.



Certification No.1 : Employer Promoting the Active Roles of Persons with Disabilities 2017

### Ratio of Employees with Disabilities



\* The ratio of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terube (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

## Implementation of Employment Support Training in Collaboration with Administrative Authorities to Promote the Employment of People with Disabilities

Seven-Eleven Japan conducts employment support training nationwide involving “Seven-Eleven Work Experience,” “Customer Relations Training,” and “Classes on Learning from Graduates to Prepare to Become a Working Adult” for teachers and students at special-needs schools as part of its support for the employment of people with disabilities in collaboration with administrative authorities throughout Japan.



Employment support training “Seven-Eleven Work Experience”

## Support for Employment Stability of Employees with Disabilities

Seven-Eleven Japan has been qualified by the Ministry of Health, Labour and Welfare for providing measures to support employment stability for employees with disabilities following the Act on Employment Promotion, etc. of Persons with Disabilities. Various initiatives have been promoted, with 96 employees having been certified as “Employment Counselors for People with Disabilities” and 15 employees certified as “Job Coaches (in-house workplace adjustment supporters)” as of the end of February 2022. These job coaches (in-house workplace adjustment supporters) with specialized knowledge provide training on how to support oneself in daily life and on how to behave as a working adult, conduct interviews over the internet, and the like. Even amid the COVID-19 pandemic, they have been endeavoring to create great places to work. In addition, the company has introduced a voice-recognition system that can allow hearing-impaired employees to participate in remote meetings, and it is striving to create an environment where communications among all employees will be smooth.

## External Recognition

Seven & i Holdings has established specific targets for promoting the active role of women, and the entire Group has worked together to make progress on the targets. The Group’s initiatives and the proactive appointment of female managers have received high recognition by outside parties.

Major recognition by outside parties

- 2014 Empowerment Award (Japan Productivity Center )
- 2015 Prime Minister’s Award at the Leading Companies Where Women Shine Awards (Cabinet Office )
- 2015 Corporate Activity Award (Tokyo Stock Exchange Inc. )
- 2017 Chosen as the “2017 Nadeshiko Brand” by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange, Inc.
- 2019 Chosen as “Semi- Nadeshiko 2019 ” by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange, Inc.

Seven & i Holdings acquired the third level – the highest – in the “L-Boshi” Designation for gender-advanced companies based on the Act on the Promotion of Women’s Participation and Advancement in the Workplace. We achieved the designation standard in all five evaluation categories: recruitment, career continuation, work style factors such as working hours, management ratio, and diversity of career paths. Similarly, Ito-Yokado, Sogo & Seibu, Seven Bank, Seven Card Services, Seven Financial Service, Nissen, and Nissen Life have also acquired the third level, and Seven-Eleven Japan and Seven & i Food Systems acquired the second level (as of February 28, 2022).



3 stars (the highest level)



2 stars

“L-boshi” certification

## Material Issue 5 Improve work engagement and environment for people working in Group businesses

### Achieving Work-Life Balance

Seven & i Group is promoting the concept of “work-life synergy,” which aims to create synergies by utilizing the perspective of a consumer in work while simultaneously leveraging the lessons of work in life. We have a range of assistance systems that exceed minimum legal requirements to enable diverse employees work with peace of mind. To make it even easier for employees to work, we are also taking steps to curb long working hours and encourage the use of paid leave.



### Enhancing Systems for Diverse Workstyles

Seven & i Group has implemented various systems that go beyond legal minimums to enable employees, including part-timers, to continue working comfortably while engaging in childcare or nursing care. For example, there are childbirth and childcare programs and a family care program available for employees, both men and women, who have worked at the company for at least a year; the programs are also available to part-time employees. The programs are freely selected by individual employees, and combining a leave program with a reduced work hours plan is also possible. To allow all employees to see the programs, they are posted on the intranet, and understanding of the programs is also promoted during training for younger employees and level-specific training.

#### Ito-Yokado's Childcare and Family Care Assistance Systems

	Childcare Assistance System	Family Care Assistance System
Reduced work hours	Employees can work reduced hours until April 15 of the year their child starts junior high school. *Can be combined with other leave programs.	Employees can work reduced hours for up to three years following the initial reason. *Can be combined with other leave programs.
Work until 7:00 p.m.	Full-time employees can end their workday at 7:00 p.m. until August 31 of the year their child starts junior high school	None
Leave	Employees can return to work after taking leave for up to two years. *Up to three years depending on the circumstances (Can be combined with short working hours).	Employees can take up to a one year of leave following the initial reason. The leave can also be split up and taken at different times. *Can be combined with short working hours.
Reemployment	Employees resigning to focus on childcare are given priority in hiring within three years.	Employees resigning to focus on family care are given priority in hiring within three years.
Limitations on/exemption from overtime work Exemption from late night work	Exemption from/limitation on overtime work and exemption from late night work until April 15 of the year in which the employee's child reaches 1st year junior high school allowed	When providing nursing care for a family member, employees may have limitations on or be exempted from overtime work. They may be exempt from late night work
Child nursing care/nursing care leave	When giving nursing care to a child of pre-school age, employees may take up to five days off per year for one child or 10 days off (paid) for two children or more in half day units	When providing nursing care for a family member, employees may take up to five days off per year for one family member or 10 days off (paid) for two family members or more in half day units
Childcare leave	If an employee has a pre-school aged child, they may take up to five days off per year (paid) for childcare	—

## Childcare Support for Employees

Seven & i Group implements various initiatives to provide childcare support to the Group employees.

### Operation of Seven Nanairo Nursery Schools

Since October 2017, Seven-Eleven Japan has been operating on-site Seven Nanairo Nursery Schools for the owners and employees of 7-Eleven stores, local residents, and employees of Seven-Eleven Japan. A total of six facilities have been opened in Tokyo (Ota-ku, Setagaya-ku, and Machida), Sendai, Kyoto, and Hiroshima to provide work-friendly environments.



Seven Nanairo Nursery School

### Introduction of Daycare Facilities in Stores

Ito-Yokado has introduced six daycare facilities comprising authorized daycare centers and corporate-led nurseries as tenants in its shopping centers in Tokyo and three other prefectures. These facilities are used by employees and local residents.

### Return-to-Work Support after Childcare Leave

Seven & i Group companies provide guidance to employees returning to work after taking childcare leave and implement community activities aimed at building networks and allaying the anxieties of child-raising and pregnant employees. For example, at York every two months in-house information is shared by mail with employees who are on childcare leave to let them know what the latest news is. In addition, to encourage the use of childcare and nursing care programs, efforts are also being made to raise awareness of them through items that run in in-house newsletters. Furthermore, York had been holding orientation sessions four times a year for those persons returning to work after childcare leave on how to go about their return, but these were suspended in the fiscal year ending February 28, 2021, and 2022 to prevent the spread of COVID-19. York plans to hold them using an online format in the fiscal year ending February 28, 2023.

### Promotion of Participation in Housework and Childcare by Men

To promote greater participation by men in childcare, Seven & i Group established an original childcare leave program for male employees in 2014. This program enables employees with preschool-age children to take five special vacation days per year in one-day increments. Since the program was started, it has been used by many employees for various reasons involving their children, such as when their spouse gives birth, to attend a kindergarten entrance or graduation ceremony, or to participate in sports days or other events. In the fiscal year ending February 28, 2022, 905 male employees from 27 Group companies took this childcare leave.

As a Group-wide initiative, we have implemented the Ikumen (child-raising men) Promotion Program since 2013 to encourage men to participate in housework and childcare. In addition, we display posters and conduct educational activities in meetings and through in-house newsletters to promote the acquisition of childcare leave by men.

## External Evaluation Related to Childcare Support

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Ito-Yokado received “Platinum Kurumin” Mark certification from the Ministry of Health, Labour and Welfare as a company that supports the raising of children. “Platinum Kurumin” is awarded to companies that have already received “Kurumin” certification and have made significant progress in the use of systems to support balancing work with childcare while implementing measures at a high level. The system was established to promote continued initiatives.

In addition, Seven & i Holdings, Seven-Eleven Japan, York-Benimaru, Sogo & Seibu, Seven & i Food Systems, Seven Bank, and Seven Financial Service have received the “Kurumin” certification (as of February 28, 2022).



Kurumin Marks

## Support for Balancing Work with Nursing Care

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A survey of family care responsibilities being provided by employees revealed that in the near future, approximately 70% of employees might have to balance work with nursing care. So going forward, this is likely to become a major issue.

Therefore, Seven & i Group regularly holds family care seminars with external experts to offer prior preparation for handling such responsibilities. In the fiscal year ending February 28, 2022, 185 employees of the Group companies participated in these seminars.

In addition, we are striving to create working environments that make it easy to balance work with nursing care, including producing the Handbook for Helping Employees to Balance Work and Family Care Responsibilities with a view of using it in training and such at the Group operating companies, informing the employees of consultation desks, and posting cases of employees balancing work with nursing care on our company newsletter.

As a support for balancing work with nursing care, Seven-Eleven Japan revamped the Handbook for Balancing Work and Family Care Responsibilities in 2019. This handbook is posted on the notice board of the intranet so that it can be checked as required by all its employees. Going forward, Seven-Eleven Japan will continue to carry out awareness-raising activities so that it can build a system that balances work with nursing care where employees properly understand knowledge about such balance.

## Work-from-Home

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Centering on head offices, Seven & i Group companies have implemented a telecommuting (work-from-home) system to make effective use of time before and after work. This system aims to improve productivity, achieve a work-life balance, since 2020, prevent the spread of COVID-19 infections, and maintain business continuity.

## Curbing Long Working Hours Through the Utilization of Diverse Workstyles

Seven & i Group believes it is important to establish proper work environments to create comfortable workplaces. We work to curb long working hours and raise the percentage of paid leave taken. Specifically, as well as promoting the visualization of overtime work, Group companies promote the review of operations at departments with a lot of overtime work and work allocation and endeavor to foster a corporate culture of seeking to improve the work environment through the implementation of no overtime work days, display of posters, and other measures. Furthermore, the Group has set a target of achieving at least 70% for the percentage of annual paid leave taken. Group companies are taking steps to promote the acquisition of leave, such as by encouraging employees to take long periods of leave twice a year and visualizing leave acquisition plans.

### Introduction of Staggered Working Hours

Seven & i Holdings, Seven-Eleven Japan, Seven Bank, and other Group companies have introduced staggered working-hour systems enabling employees to choose their working hours. The aim is to realize environments in which individuals can select their workstyles to suit their jobs and individual circumstances and work flexibly. Companies are seeking to promote more active and efficient workstyles by bringing forward or delaying start and finish times. Furthermore, to prevent the spread of COVID-19 infections, Group companies have expanded the options for start and finish times so that employees can avoid commuting during the crowded rush hour since 2020. Seven-Eleven Japan has achieved utilization results of over 80% for its administrative staff department in particular. This initiative is also leading to enhanced private time for employees and reduced commuting burdens.

### Implementation of Variable Working Hours System

Since 2017, Seven & i Food Systems has introduced a one-month variable working hours system that allows work to be planned according to busy and lull periods. Through the introduction of this system, the number of days of paid leave taken by full-time employees increased and the average monthly overtime work also decreased, thereby improving employees' work-life balance.

## Material Issue 5 Improve work engagement and environment for people working in Group businesses

### Support for Enhancing the Abilities of Employees

Seven & i Group believes that human resources are the wellspring for enhancing corporate value and that human resources capable of thinking and acting for themselves are essential for further growth. The Group constantly places importance on human resources, such as the training and education of employees, on the basis of our Corporate Creed of “Trust and Sincerity,” which was our founding philosophy, and the Group companies conduct human resources development to match their respective business characteristics.



### Human Resource Policy Linked to Management Strategy

Based on the Medium-Term Management Plan announced in July 2021, Seven & i Group aims to build an organization in which both companies and employees can grow together and to build workplaces that are pleasant for everyone. We seek to enhance job satisfaction through such initiatives as skill development and support for autonomous learning for each employee and to build workplaces in which employees really can feel satisfied through workstyle reform, productivity improvement, the promotion of diversity and inclusion, and so on.

### Establishment and Refinement of Training Systems

Seven & i Group engages in human resources development through training systems refined by the Group companies to match their respective business characteristics. The Group focuses particularly on the essential task of improving the skills of store employees who interact with customers. To this end, we hold regular group training by position and also work to enhance the skills and develop the careers of individual employees, including part-timers.

#### Strengthening of Setup Centering on Human Resources Development Department

To respond to the diversification of values in society and the economy and digital transformation (DX), and to promote human resource policy as an axle alongside management strategy, in August 2020 Seven & i Holdings split the educational function from the Personnel Planning Department and newly established an independent body, the Human Resources Development Department, to promote skill development and human resource development in the Group. We are making efforts to improve the human resource development setup to support the skill development and autonomous learning of individual employees, the standard bearers of value creation.

#### Holding Customer Service Training for Franchise Store Employees

Seven-Eleven Japan holds a “new employee training” program for new hires at stores, and a “shift leader training” program aimed at nurturing the “shift leaders” who will serve as models for franchise store employees. Those who undergo shift leader training are presented with a certificate of completion and a business card holder. In the fiscal year ending February 28, 2022, 10,914 training sessions were held, and 39,740 employees took the courses. Through the training, Seven-Eleven Japan lends support to the franchise store owner’s work to teach their employees, while also improving both work satisfaction for many employees and the level of customer service in the stores.

## Contents of the Training for Franchise Store Employees

Participants (Franchise store employees)	Training contents	
New employees	Pre-store opening training (support for opening a new store)	Learning cash register operation, basics of customer service, and sales floor duties
	New employee training (support after hiring)	Learning customer service, greetings, basic cash register operations, and service duties
	New employee training, slower pace basics course (for seniors)	Learning basic cash register operations (repeated)
	Hospitality training (for foreign staff)	Learning about Japanese culture and language use
Existing employees	Shift leader training (1) Friendly course	Learning model customer service
	Shift leader training (2) Teaching course	Learning methods for educating new employees
Store managers	Training for persons responsible for a store (FY2022 plan)	Learning carefully selected practical knowledge suited to real cases in store management



Shift leader training

## Implementation of Job-Oriented Training

Ito-Yokado holds new employee training for all employees, including part-time employees, to teach company policies, retail fundamentals, and skills and knowledge required for work. Furthermore, training leading to on-the-job training at stores is continuously held to provide basic knowledge of products handled by affiliated section and to improve skills related to customer service and fresh food preparation. In this way, the company assists employees in upgrading their skills. Additionally, training is held for everyone from new recruits to sales floor staff, sales floor managers, division managers, and store managers, to provide knowledge of sales floor management and management skills in stages and in line with their respective positions. Advance training is also implemented to encourage employees to keep on learning and to improve their skills in preparation for their next positions.



Employees in training

## IY Training System

Position	Training content		
Part-time employee	Training for new employees	• Fundamentals of the Company, fundamentals of sales	Personal development support (correspondence courses, Eco Test etc.)
	Fresh food preparation training	• Food safety and acquisition of fundamental preparation techniques	
New employees	Training for new employees	• Fundamentals of the Company, fundamental of sales, employee attitudes	
	Cash register & service training	• Fundamentals of register and service counter operations	
	Item-by-item management training	• Approaches to hypotheses, execution, verification, and correction concepts	
	Divisional training	• Basic knowledge and fundamental technologies of each division	
Floor staff	Fresh food preparation training	• Acquisition training according to technical items	
	Step-up training	• Fundamental knowledge of management required for executives	
Floor managers	New manager training	• Management as a sales floor manager, quantitative analysis, and approaches to training	
	Fresh food preparation training	• Confirmation and acquisition of priority category technologies	
	Step-up training	• Business department management necessary for division managers	
Division managers	New manager training	• Knowledge and management needed for store operation	
	Step-up training	• Store operational management necessary for store managers	
Store managers	New manager training	• Knowledge and management necessary for store operation from the perspective of management	
	Store manager school	• Re-learning the basics of problem solving and human resource development, leading to behavior changes	
	IY management school (Yogajuku)	• Learning human resource utilization and organizational strengths through experience and discussion	
	Corporate management philosophy training	• Linking to the spread of the corporate management philosophy and physical action	

### Operation of "Targets Setting Chart"

York-Benimru uses target setting charts to assess the individual employee's current skills and abilities as well as skills to be acquired and training targets between individual employees and their managers. The target setting charts include detailed items necessary for job performance, such as customer service, sales area management, ordering, and food preparation techniques, with the skills and abilities of the employee assessed on a six-step scale from 0 to 5. In the "skills version" for staff members and part-time employees, items are determined for each division depending on duties, job characteristics, and products handled for each analysis item. There is also a "management version" for store managers, assistant store managers, customer service managers and section managers that is intended to help raise and standardize management abilities. Based on the chart, employees confirm their skill levels with their supervisors and twice a year share the progress they have made with their supervisors and establish the next set of goals. This enables them to check their own growth, helping to boost motivation.

## Self-Development Training

To provide opportunities for employees to engage in independent study, Seven & i Group subsidizes fees, and so on for those employees who are taking correspondence courses and e-learning related to business skills, knowledge, etc.

### Support for Taking Correspondence Courses

Ito-Yokado proposes 306 correspondence courses to all employees, including part-time employees, and subsidizes part of the tuition fees of employees completing a course. In the fiscal year ending February 28, 2022, 358 employees took correspondence courses.

## Holding of Self-Development Courses

Seven Bank provides about 350 courses for self-development, including correspondence courses for learning English, financial knowledge, and other subjects; online courses to study English conversation, business knowledge, information technology, and programming; and at-school courses for earning an MBA. In the fiscal year ending February 28, 2022, employees took 210 courses.

## Support for Self-Development and Skill Improvement

Akachan Honpo uses correspondence courses to support the self-development of employees, and covers all costs for taking courses when a specific certification is being acquired. Also, it held 24 non-compulsory "TERAKOYA" business courses as a means for store managers and assistant store managers to improve their business skills, in which many employees took part.

## Establishment of Training Facilities

Seven & i Group, which develops diverse businesses, believes it is important to support employees' acquisition of professional skills, such as sales and cooking, befitting their work characteristics, to ensure that every employee understands the spirit of "Trust and Sincerity", which is our founding philosophy, and to foster the next generation of human resources. For this purpose, the Group companies have been making use of the Ito Training Center as an educational facility. Opened in 2012, so far this center has been used by an aggregate of more than 400,000 employees.

The center underwent a major renovation in 2020 so that it can respond to new educational programs. The historical materials room utilizes digital signage and provides an easy-to-view, easy-to-understand study environment. The training rooms offer an environment in which employees can study enthusiastically. Unbound by any fixed format, they are equipped with stair-type stools catering to freely movable training and remote cameras and tablets enabling trainees to pleasantly take part in online training.



Ito Training Center

> [Further details about the Ito Training Center can be found here \(in Japanese\)](#) 

## Open Recruitment System for Human Resources

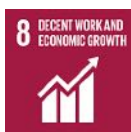
Seven & i Holdings has an open recruitment system that is made available once a year through which employees can apply for open positions at any Group operating company regardless of where they work. The goal is to support all the Group's employees to develop their diverse careers. Every year, many employees apply for the system and are active in new fields while making the most of their previous experience.

Group companies have also instituted internal recruitment systems. For example, at Ito-Yokado, employees who have worked at the company for at least one year can become candidates for managerial positions and jobs regardless of business experience or seniority. In the fiscal year ending February 28, 2022, 207 people applied through this system and 40 people were appointed to their preferred positions or jobs.

## **Material Issue 5 Improve work engagement and environment for people working in Group businesses**

### **Assuring Fair Assessment and Treatment of Employees**

Seven & i Holdings conducts recruitment activities in compliance with the law and does not permit any discrimination whatsoever for reason of social status, place of birth, race, creed, religion, gender, and so on. In addition, we do not engage in forced labor or coerce employees to work against their will, and we prevent child labor by confirming age at the time of hiring. In terms of treatment, we comply with the minimum wage stipulated by law and promote equal pay for equal work. We appropriately evaluate the performance of work and the degree of contribution of each person and reflect it in rewards, such as bonuses.



### **Ensuring Fairness through Self-Evaluations**

Seven & i Group has instituted a self-check program to maximize individual employee abilities and help ensure fair evaluations. Twice a year at each Group company, employees first assess their own job performance, which is then evaluated by their supervisor. After that, the employees and their supervisor meet to discuss the results. This direct dialogue helps the employees to identify their own achievements, strengths, and challenges while also ensuring the transparency and fairness of evaluations.

In addition, through individual meetings with supervisors, issues at the workplace related to management levels, knowledge, skills and the like are confirmed, and this leads to further career development. Since it is not a simple one-sided evaluation by the company, employees are more willing to accept the system and find it motivating. The system is helping to steadily improve operational levels.

### **Implementation of Management Checks**

Seven-Eleven Japan has been conducting management checks since November 2017 as a personnel measure where subordinates and supervisors work together to improve the company and enhance internal communications. Subordinates evaluate the status of management of employees by managers. Employees respond to a total of 20 questions (five questions in each of four categories: humanity, thinking abilities, action abilities, and compliance) and also input comments in the free entry field. To prevent the identification of specific individuals, the scores of all subordinates are averaged and comments are combined. Results are not directly disclosed to supervisors; oral feedback is provided during interim interviews (conducted twice annually) by the supervisor who is two levels higher. Each individual actively uses the results to generate outputs that will contribute to their individual growth.

### **Employee Compensation System**

Ito-Yokado has an “Employee Classification System” that allows employees to choose which region to work in based on their individual life plans and values. Based on this system, employees are evaluated using a qualifications system, which ranks them by job performance ability and skill, and by job responsibilities, taking into account their current duties and job assignment. In addition, individual evaluations, which are determined based on job achievement, level of contribution and other factors, are directly incorporated into salary and bonus levels.

## Selection of Various Work Styles

Seven & i Holdings focuses on establishing systems that allow employees to choose various work styles to increase their motivation for work. For example, Ito-Yokado has a “Selective Step Up System” to enable part-timers to choose from diverse working styles. Under this system, part-timers may choose to step up a rank after acquiring a certain level of evaluation and sales skill. There is also a program in place where part-timers designated as highest level can be hired as a monthly salaried permanent employee or contract worker. To date (as of February 28, 2022), 205 part-timers have become monthly salaried permanent employees. In January 2020, an ex-part-timer became a store manager for the first time.

### Ito-Yokado's Selective Step Up System



## Material Issue 5 Improve work engagement and environment for people working in Group businesses

### Consideration for Employee Health and Occupational Safety and Health

When employees are healthy both mentally and physically, it not only makes their own lives more fulfilling but also is a source of vitality for the Company, and makes management more efficient. Based on this understanding, Seven & i Holdings launched *Seven & i Health Declaration 2018* in FY 2014 in partnership with Seven & i Holdings Health Insurance Union. With the aim of furthering this initiative and promoting the sustained growth of the Group and health of local communities, *Seven & i Health Declaration NEXT* was formulated in October 2019 with three goals.



#### Three Goals of the Seven & i Health Declaration NEXT

1. We will understand our own health issues, and take actions toward improvement.
2. We will realize working conditions where all employees can work with vitality.
3. We will continue to be a company that supports the everyday health of our customers through “health conscious” products and services.

<Message from the President>

Seven & i Holdings thinks that promoting the health of employees will bring vitality to the entire Company, and in addition, contribute toward improving society's quality of life (QOL). We support each employee's proactive initiative to promote health. Therefore, in October 2014, we started the *Seven & i Health Declaration 2018* that sought to improve employee health and QOL, and enhance our corporate vitality. Through conducting a variety of initiatives related to health, we have reaped certain results.

In view of this, we formulated the *Seven & i Health Declaration NEXT* which states three new goals that seeks to further strengthen our initiatives, and are starting on those initiatives.

This declaration sets themes related to individual employees, the Company, and society respectively, and aims to improve results through specific measures.

Promoting the health of employees will be the foundation for improving individual QOL, widen opportunities for further participation by each person at work, and become the source of our Group's sustainable growth.

In addition, based on the basic principle of providing safe and reliable products, we will work to support the health of the customers who use our Group's stores and products on a regular basis, and also contribute toward promoting the health of local communities through measures such as product development that works on reducing additives while being particular about taste and quality; being thorough in the labelling of food ingredients which is of high concern to customers; development and provision of products supporting health; and support for healthy dietary habits and dietary education.

Going forward, Seven & i Holdings will deepen our initiatives contributing to the healthy growth and development of people's lives and society from the viewpoint of being close to daily lives, and aim to be a Company that is trusted and needed by employees and society.

October 2019

Ryuichi Isaka

President and Representative Director

The specific targets advocated in the Seven & i Health Declaration NEXT include reducing the risk of lifestyle diseases, reducing the smoking rate, improving the percentage of annual paid leave taken, and reducing long working hours. The promotion of health and productivity management was incorporated into the Corporate Ethics and Culture Subcommittee under the CSR Management Committee chaired by the President and Representative Director of Seven & i Holdings, and various initiatives are being implemented centering on the Seven & i Holdings Personnel Planning Department, Health Management Center and Health Insurance Union in collaboration with human resources and labor relations supervisors at each Group company.

## Main Initiatives in FY2021

- Initiatives for maintaining health, preventing illness, and improving health
  - Holding of regular walking events jointly with the Health Insurance Union
  - Regular holding of online health seminars with outside experts as instructors
  
- Initiatives to prevent infectious diseases
  - Reduction of infection risk through utilization of working from home, staggered work, etc.
  - Distribution to employees of masks needed for work and commuting
  
- Initiatives to build pleasant workplaces conducive to both mental and physical health
  - Prevention of mental illnesses through the implementation of mental health training (departmental care, self-care)
  - Introduction of in-house chat service and improvement of system to encourage communication regardless of workplace (at home, head office, or other site)
  
- Initiatives to reduce smoking rate
  - Implementation of complete ban on smoking during working hours
  - Introduction of system of subsidies paid by the Health Insurance Union to employees who have succeeded in giving up smoking
  
- Initiatives to support a healthy society—Contributing to SDGs
  - Development and lineup of products taking customers' concern for salt, sugars (available carbohydrates), etc. into consideration
  - Considerations for health and evolution to tastier and higher quality products
  - Display of carbohydrates divided into dietary fiber and sugars, which are items of substantial interest to customers
  - Proposal of menus on the theme of good health at stores; recipe development; calculation of nutritional value

## Seven & i Health Declaration NEXT

Targets	Specific Targets to Be Achieved by March 31, 2023						
1. Control to achieve appropriate bodyweight	Ratio of People with a BMI over 25*1						
		FY2017	FY2018	FY2019	FY2020	FY2021	March 31, 2023 Target
	Male	35.5%	37.6%	38.5%	39.6%	39.0%	28% or less
	Female	25.6%	26.8%	27.6%	28.3%	28.2%	18% or less
2. Reduce smoking rate	Overall Employee Smoking Rate*1						
		FY2017	FY2018	FY2019	FY2020	FY2021	March 31, 2023 Target
	Overall	30.3% male:41.3% female:22.7%	29.3% male:39.7% female:21.8%	28.1% male:38.0% female:21.2%	26.5% male:36.2% female:19.8%	25.4% male:34.5% female:19.0%	20% or less
3. Improve the percentage of annual paid leave taken	At least 70% for percentage of annual paid leave taken						
4. Reduce long working hours	Less than 5% for percentage of employees with long working hours (45 hours or more of overtime work in a month)						
5. Increase the number of health support products developed by the Company							
6. Increase the number of cooking support*2 with health as the theme							

※1 BMI and smoking data are totals for 23 Group companies participating in the Seven & i Holdings Health Insurance Society

※2 Proposal of menu items at stores

## Providing healthy, balanced meals to employees

Seven & i Food Systems operates employee cafeterias in 152 locations that provide health-conscious meals throughout Seven & i group stores and offices. For example, at Seven & i Holdings Headquarter office, in order to respond to the health needs of various employees, it offers five different types of the balanced menu daily, including a menu that takes nutrition and health into consideration. We also incorporate menu items that increase food diversity, such as featuring in production areas and seasonal ingredients. The menu provided discloses the information of total calorie, protein, fat, and salt content; the portion size of the bowl of rice can also be adjusted. As for nutritional education, employees can access Seven & i Food Systems nutritionists' advice through monthly nutritional tips, how to consume healthy food at employee dining halls, and "health support day" is held once every month; providing more than 120 grams of vegetables per meal. There is also nudging to raise awareness of healthy eating habits (e.g., reduce the use of condiments such as soy sauce or dressings).



Examples of the menu: The meal set A : Total calorie 600 kcal or less, salt 3g or less

As measures to prevent COVID-19, employee cafeterias have set up sanitation and segmentation, secured social disincentives, and started take-out service.

## Raising employees awareness of health and implementation of health checkup

Seven & i Holdings Health Insurance Union utilizes a portal website “MY HEALTH WEB” Health Management System to hold mental health training and health-themed events. In addition, it helps employees maintain and manage their health to raise awareness about health by offering low-calorie, low sodium menu items at the staff cafeteria, and by providing health-related information through internal Group newsletters and other media.

The MY HEALTH WEB Health Management System allows individuals to browse the past five years of their health checkup data on the Internet and serves as a tool for checking and goal-setting on the health status, and for receiving advice on how to improve health. It also has an environment that allows them to use through a smartphone app. Furthermore, Group companies have taken steps to implement appropriate health and productivity management based on the Industrial Safety and Health Act by ensuring that all employees receive regular health checks and follow up on the results, as well as making sure that stress checks are implemented for everyone.

## Prevention of Workplace Accidents

Seven & i Holdings convenes safety and health committees at each Group company in accordance with laws and regulations and implements improvements to the workplace environment including working conditions, and also conducts measures to prevent workplace accidents. For example, Ito-Yokado conducts training on the handling of knives and other cooking devices for employees that work with fresh food products.

In addition, Seven & i Food Systems, post awareness-raising posters and other campaign materials at stores three times a year to bring attention to the prevention of workplace accidents. At stores where workplace accidents have occurred, interviews are conducted and the causes of the accident and specific prevention measures are shared with other stores.

### Workplace Accident Data for Eight Group Companies for the Fiscal Year Ended February 28, 2022

	Seven & i Holdings	SEJ	IY	Sogo & Seibu	YB	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency(LTIFR)	0.00	1.09	1.41	0.32	3.59	1.44	1.46	0.00
Workplace accident severity	0.00	0.03	0.05	0.28	0.14	0.06	0.08	0.00

\* No workplace accidents resulted in deaths.

### Workplace Accident Data for Eight Group Companies for the Fiscal Year Ended February 28, 2021

	Seven & i Holdings	SEJ	IY	Sogo & Seibu	YB	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency(LTIFR)	0.00	0.72	1.53	0.24	3.40	0.65	0.86	0.00
Workplace accident severity	0.00	0.02	0.04	0.00	0.01	0.03	0.03	0.00

\* No workplace accidents resulted in deaths.

### Workplace Accident Data for Eight Group Companies for the Fiscal Year Ended February 29, 2020

	Seven & i Holdings	SEJ	IY	Sogo & Seibu	YB	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency(LTIFR)	0.00	0.54	1.37	0.69	3.58	1.18	0.33	0.00
Workplace accident severity	0.00	0.01	0.03	0.01	0.01	0.02	0.03	0.00

\* No workplace accidents resulted in deaths.

## Material Issue 5 Improve work engagement and environment for people working in Group businesses

### Employee Engagement Survey

Seven & i Group considers employees to be an important human resource asset supporting the enhancement of corporate value. We believe that employees' heightened engagement and desire to contribute leads to our organization's vitalization and strengthened competitiveness. Therefore, we conduct employee engagement surveys with the aim of creating employee-friendly workplaces with job satisfaction.



### Outline of Employee Engagement Survey

The employee engagement survey is an indexing of employees' feelings about doing one's best and not giving up until delivering results above expectations, with the "feeling that each and every employee is always playing a leading role" as well as having "pride and passion in everyone's own work." In the fiscal year ended February 28, 2022, the survey was administered to approximately 73,000 employees at 34 companies in Japan. The survey is conducted once every year and the next survey is planned for the second half of the fiscal year ending February 28, 2023.

#### Results of the Employee Engagement Survey (results from monthly salaried full-time employees as one example)

		FY2021
No. of targeted employees		approx. 73,000
Response ratio		85%
Employee engagement (Results from full-time employees included as one example)	Overall	50%
	Male	52%
	Female	48%

\*Employees were asked multiple questions about their sense of belonging to the company and desire to contribute, and required to identify one of six levels. This is the ratio of employees who gave affirmative replies in the top three levels.

\*Employee engagement is defined as employees' feelings about doing one's best and not giving up until delivering results above expectations with the "feeling that each and every employee is always playing a leading role," and "pride and passion in everyone's work." This is ascertained via four questions incorporating the two perspectives: 1. Whether employees strongly wish to remain at the company; and 2. Whether they will work harder than what is expected of them in the course of their duties. A concurrent analysis of factors toward improving engagement is also implemented. An external research organization conducted the survey. Compare with other companies globally and implement initiatives for improvement.

## Promoting Improvement Activities

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The results of the employee engagement survey are reported to the Boards of Directors, Management Councils, and others of Seven & i Holdings and Group companies, and the Group companies analyze the results, identify issues, and consider and implement countermeasures. Examples are shared within the Group as well. In the fiscal year ending February 28, 2022, we set up Engagement Improvement Committees in our operating companies, which are chaired mainly by the heads of personnel departments. These committees select diverse members by such means as advertising for activity members and promoting improvement activities by compiling and monitoring action plans for increased engagement based on dialogue among members. In the fiscal year ending February 28, 2023, the Group further enhanced initiatives toward the realization of job satisfaction and comfortable working environments for employees.

### Cooperation with members of the Engagement Promotion Committee

At Ito-Yokado, senior management, store managers, and headquarter leaders clearly define the management philosophy and vision, with around 600 persons appointed as team members responsible for promoting engagement at each store and department. Ito-Yokado strives to embody the management philosophy while achieving a shared consciousness and recognition thereof among all employees, which includes holding meetings to instill satisfaction and motivation by area. They are training personnel with the capacity to think and act on their own initiative and leveraging employee diversity to create environments that reflect the various feedback received, while strengthening the foundations to improve engagement.

### Launch of Seven Future Meeting

In October 2020 Seven Bank launched the Seven Future Meeting so that young employees could take part in free and lively discussions with the company president, thereby viewing all issues of the company as their own and engaging in their work with responsibility and drive. Meetings have been held 30 times so far, with discussions taking place online. The meetings also lead to better communication among young employees themselves.

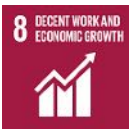
### Introduction and implementation of Pulse Survey

The “Pulse Survey” has been introduced at Akachan Honpo for persons working at Head Office and some store employees, as a tool to establish the current circumstances of individuals and workplaces, and encourage autonomous, self-starting actions by every individual. This involves having employees answer a simple monthly survey with questions focused on workloads and work quality, communication with those around them, and degrees of autonomy. The answer results are checked by the respondent’s direct superiors, and the current status of their staff’s duties and their opinions and impressions are taken on board to further dialogues. This initiative has begun to yield changes in behaviors including increasing pro-active communication by superiors and autonomous efforts to approach those around them following reflection by employees on their work duties. Akachan Honpo will continue to roll out these initiatives to different departments and throughout the company to translate employee engagement into further improvements.

## Material Issue 5 Improve work engagement and environment for people working in Group businesses

### Sound Labor-Management Relations

Seven & i Holdings respects workers' rights such as the freedom of association, the right to organize and collective bargaining. In Seven & i Group Corporate Action Guidelines, we have established the following principle: "The Company respects workers' rights, such as the right to organize, based on international norms and efforts to further improve the work environment."



### Respect for Freedom of Association and Collective Bargaining

At Seven & i Group, the Group's 11\* labor unions form the Federation of Seven & i Group Labor Unions, which as of March 2022 has approximately 51,000 members in 11 unions and a participation rate of 70.9% (Ito-Yokado labor union). The federation carries out a variety of activities for union members based on the thinking that "no water can be drawn from a dry well."

It also coordinates activities by holding discussions on organizational management, labor conditions, and other issues pertaining to union members. The member unions autonomously create their own independent organizations, and then they coordinate and join together for common causes. They complement one another's strengths and also work to improve shared labor conditions on a unified basis, which further reinforces both the individual labor unions and the federation itself. This is the basic approach through which activities are conducted. Seven & i Holdings and the labor unions work through numerous active discussions between labor and management to improve issues related to working conditions and employees' workplace environments.

For example, at Ito-Yokado, the treatment system and labor conditions for union members and employees are proactively discussed. Consultations between labor and management are considered valuable for solving issues and improving productivity. Promotion of recent workstyle reform is an example of collaboration between labor and management, and Ito-Yokado is taking steps to ensure that working rules are understood by everyone, promote the use of holidays/day-offs and paid leave, improve the labor environment, and achieve a good work-life balance.

\* The 11 companies are Ito-Yokado, York-Benimaru, York, SHELL GARDEN, Marudai, Sanei, Sogo & Seibu, Seven & i Food Systems, Akachan Honpo, THE LOFT and Life Foods.

## Material Issue 6 Create an ethical society through dialogue and collaboration with customers

### Approach to the Material Issue

The Seven & i Group believes that its important role is to contribute to the creation of an ethical\* society by increasing the number of products and services that solve social and environmental issues through dialogue and collaboration with customers. Responding to customers' growing awareness of "ethical consumption" in recent years increases the value of our products and services and strengthens our brand. We are working to listen to our customers and encourage them to promote sustainability in society.

\* The word "ethical," in addition to its conventional meaning, has been increasingly associated with environmental preservation and social contribution in recent years.

### Background to the Material Issue

#### Growing awareness of ethical consumption

With growing awareness of sustainable fashion, food loss solutions, and fair trade, more and more people are interested in socially and environmentally conscious consumption behavior. In Japan, this number is said to be as high as 81.2%\*. As awareness of ethical consumption grows, it is important to build a sustainable business model that can realize both social and economic value by listening to what customers want and giving shape to it together.

\* Source: Consumer Affairs Agency "Consumer awareness survey on ethical consumption (FY2019)"

#### Persons with an interest in ethical consumption

(Unit is %, N=2,803)



Source: Consumer Affairs Agency "Consumer awareness survey on ethical consumption"

### Contribution to SDGs

By addressing this material issue, the Seven & i Group will realize an ethical society and contribute to achieving Goal 4 of the Sustainable Development Goals (SDGs).



# Seven & i Group's Initiatives



## Material Issue 6 Create an ethical society through dialogue and collaboration with customers

### Communication with Customers

Seven & i Group, whose core business is retailing, considers the large number of contact points with customers and the frequency of communication with them to be among its key management resources, collects information from customers through a variety of means, and strives to develop products and improve services by utilizing the valuable opinions that we receive from customers.

### Establishment of Customer Support

Seven & i Group set up customer support desks at each Group company in order to receive voices from the customers and people in the communities where the businesses operate. We quickly responds to requests and complaints provided by email or phone through customers and the people in communities, and that leads to improvement of products and services. Given the need to protect privacy in connection with feedback received from them, all personal information is deleted, and the feedback is then categorized by content and communicated to departments and stores for use in making improvements. In the fiscal year ended February 28, 2022, eight Group companies\* received a total of approximately 1.29 million opinions, requests, and inquiries.

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

> [Information on customer feedback at Group companies can be found here](#) 📄

### Customer Support Information Liaison Meetings

Seven & i Group holds a monthly information liaison meeting, which is attended by customer support supervisors at each Group company, in order to reduce the factors that cause customer dissatisfaction and raise satisfaction levels throughout the Group. Measures taken in response to comments and requests received from customers are shared on a regular basis and the information is incorporated into product and service improvements. Annual training is also held for customer support personnel at each Group company with a view to further refining customer service skills. In the fiscal year ended February 28, 2022, 100 employees from 12 Group companies participated in the training.

Main Training Themes in FY2021

- Customer service during the COVID-19 pandemic
- Methods of responding to customer emotional needs
- Acquisition of fundamental skills for responding to customer email and to customer suggestions



Customer support personnel training

## Collecting Customer Feedback

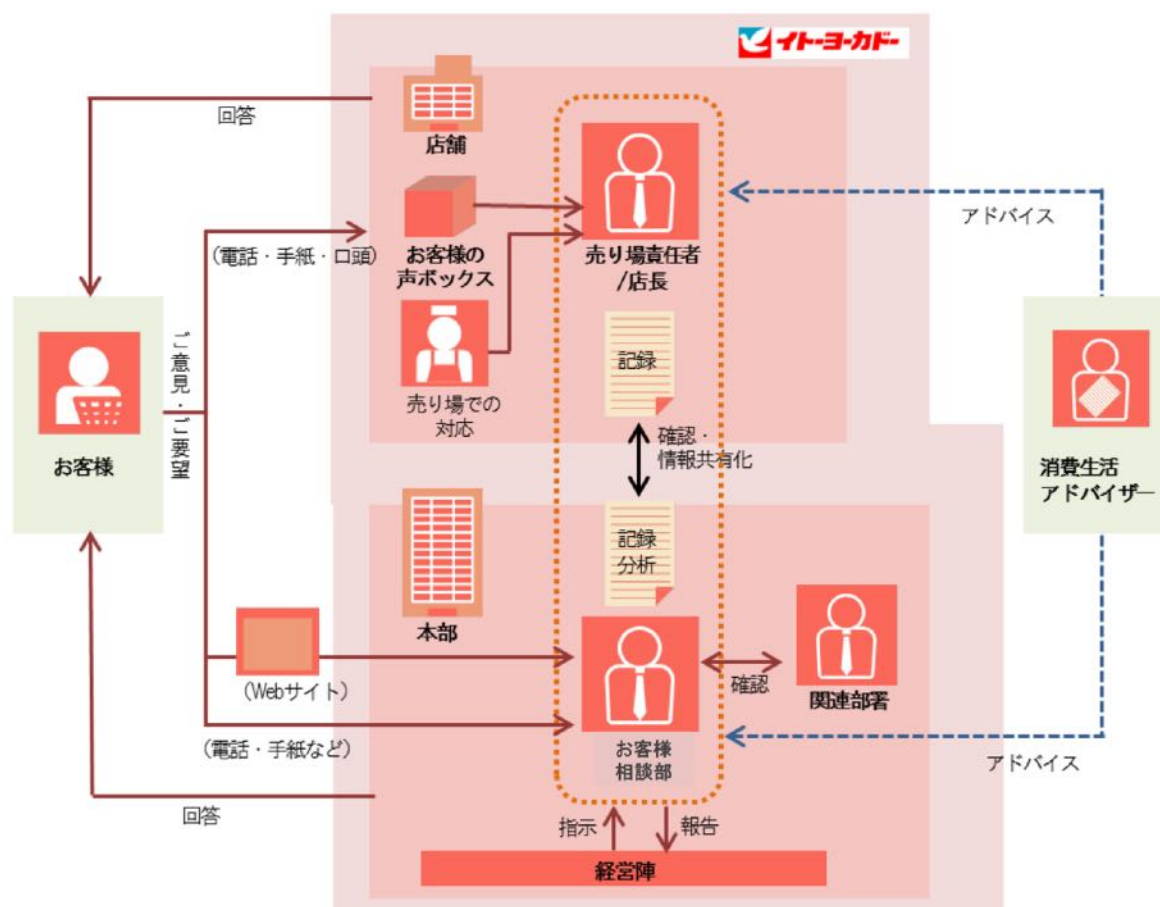
Seven & i Group collects feedback from customers on customer service, sales floor setup, product lineups, and other aspects of operations in order to further improve its products and services. For example, Seven-Eleven Japan, conducts regular customer questionnaires to ascertain the needs of customers nationwide and uses the information to develop products and services. Also, Ito-Yokado has been continuously conducting online customer questionnaires, which customers can access using a QR code printed in their receipts, since July 2020. Customers can specify whether they were “very satisfied,” “satisfied,” “neither satisfied nor dissatisfied,” “dissatisfied,” or “very dissatisfied,” and a target has been set to raise customers who respond “satisfied,” which is the most common response, and “neither satisfied nor dissatisfied” to “very satisfied.” The questionnaire responses lead to improvements in customer service. In addition, store surveys are contracted to external agencies certified as consumer affairs advisors to collect feedback from store customers. Ito-Yokado, York-Benimaru, York, Sogo & Seibu, and SHELL GARDEN have installed in stores suggestion boxes where customers can submit opinions and requests. Other Group companies also analyze customer opinions and operate mechanisms for using customer feedback to improve product development and services.

### Percentage of customers responding “very satisfied” (from Ito-Yokado questionnaires)

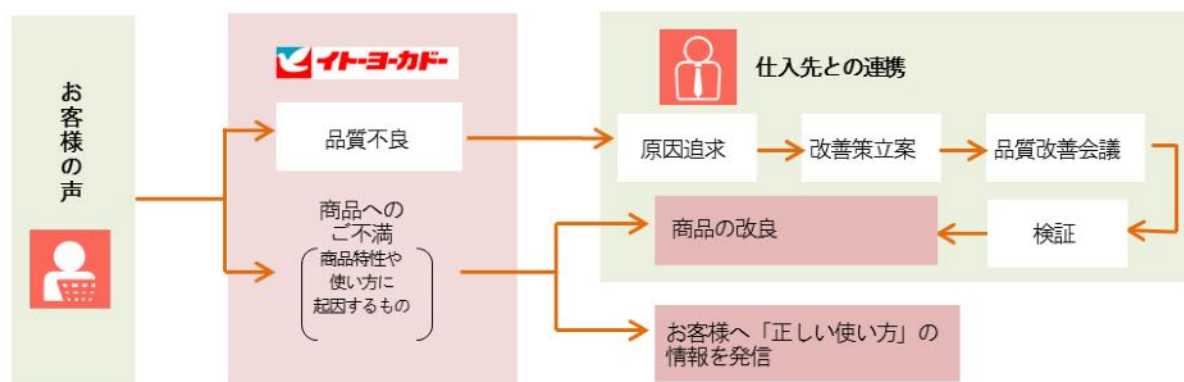
April, 2021	July, 2021	October, 2021
20.4%	21.1%	22.0%

※sample size of the questionnaire conducted in April, 2021: approx. 52,000, sample size of the questionnaire conducted in July, 2021: approx. 55,000, and sample size of the questionnaire conducted in October, 2021: approx. 59,000

※ The period for each questionnaire was one week.



Mechanism for using Customer Feedback (Ito-Yokado)



Flow of Responses to Product Deficiencies and Customer Dissatisfaction (Ito-Yokado)

## Sharing good practices in customer service

Seven & i Group introduces good practices of customer service in its monthly in-house magazine distributed to employees, along with customer compliments and appreciation. The employee who received the thank-you note introduces the method of customer service and points he or she tried to keep in mind in the in-house magazine, making it easier for Group employees who read the article to follow the examples and put them into practice. The employees whose examples of good practices are featured in the article receive a letter of appreciation from the president of Seven & i Holdings, which motivates them to continue their efforts.

## Product Development by Using Customer Feedback

Seven & i Group is seeking to create products tailored to the demands of customers with “Seven Premium” products, the private-brand products of the Group. The official Seven Premium website, which includes introductions of product features and recipes using Seven Premium products, allows website users to freely upload comments about Seven Premium products. Analyses are conducted on the ways and contexts in which the website is used by customers using the comments on the website, questionnaire surveys, monitoring surveys, focus groups, and customer feedback received via the customer support, and reflected in product development.

Nissen Holdings, which engages in the mail order business, also operates user-participation research sites for product development. In addition to online surveys, Nissen Holdings conducts focus groups, interviews, product monitoring surveys, mail surveys, venue surveys, and other research to improve services and develop better products.

➤ [Official Seven Premium Website \(in Japanese\)](#)

➤ [For more details about measures on the Nissen Holdings research site \(in Japanese\)](#)

➤ [For more details about the private-brand product development system \(in Japanese\)](#)

### Sales of Warm Water

Seven-Eleven Japan began selling bottled warm water in February 2021 in response to customer requests such as "I drink white water for my health but cannot buy it on the go," "I need hygienic hot water for baby formula," "I need hot water for taking medicine on the go," and "I want a warm beverage that does not contain caffeine or sugar. Since its launch, much positive feedback from customers has been received. Seven-Eleven Japan will continue to hold regular meetings in which departments in charge of product development, quality control, customer support, and other areas collaborate to reflect customer feedback on its products and services.

## Improving Services by Using Customer Feedback

Seven & i Group collects opinions received from customers and uses them in an effort to improve product store environments and offered services.

### Establishment of “Stations”

Sogo & Seibu created “stations” that provide individualized advice on customer concerns and inquiries ranging from makeup to coordination and shoe selection. These stations provide highly-detailed service.

#### Main “Stations”

- Kirei Stations: Beauty advisors help customers enhance their beauty.
- Makeup Stations: Beauty stylists provide counseling on makeup issues. They introduce recommended products and provide advice on makeup techniques.
- Shoes Stations: Customer feet are analyzed using a check sheet and a specialized 3D device. Advisors listen to customer needs and help them choose the best shoes.

➤ [For more details about Sogo & Seibu stations initiatives \(in Japanese\)](#) 

### Three-year Premium Compensation

Akachan Honpo has many first-time customers and seeks to reduce customer concerns about safety by offering free premium compensation\* that covers malfunction, damage, theft, and more for three years from the date of purchase of products relating to child safety. Additionally, hina dolls (sets of traditional Japanese dolls in period dress) and Boy’s Festival dolls are covered under premium compensation for five years from the date of purchase.

※Compensation in cases where Akachan Honpo Point App members and Akachan Honpo E-Commerce members purchase strollers, child car seats (including junior car seats), baby slings, and tricycles

➤ [For more details about the Akachan Honpo Premium Compensation \(in Japanese\)](#) 

### Easier-to-Use ATMs Installed

To eliminate privacy concerns when using ATMs and enhance their usability, Seven Bank has installed approx. 10,000 fourth-generation ATMs nationwide with an expanded privacy area, large and high-visibility displays, and universal design (as of the end of March 2022).

➤ [For more details about the Seven Bank fourth-generation ATM \(in Japanese\)](#) 

## **Material Issue 6 Create an ethical society through dialogue and collaboration with customers**

### **Appropriate Sales and Information Disclosure for Products and Services**

Seven & i Holdings ensures that it conducts responsible marketing activities to provide safe and reliable products and services to its customers. Seven & i Holdings Corporate Action Guidelines stipulate “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 strives to confirm the following points, when it transmits information to customers.

- We will take our customer’s perspective and provide beneficial information to them, even if the information is negative for us from the business perspective. (e.g.: Consumption of this product may be hazardous for health)
- 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**

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, Ito-Yokado requires a prior approval 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 the Group companies to provide basic knowledge on improper labeling and excessive gifts or giveaways prohibited under laws and regulations. In addition, e-learning is conducted for the Group personnel involved in procurement and its head office staff. In the fiscal year ending February 28, 2022, 6,310 employees took the "General Labeling (including food)" course and a total of 11,576 employees took the "Fair Trade" course.



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.

## Prevention of the Sale of Alcohol and Tobacco to Minors

Seven & i Group companies sell alcoholic beverages and tobacco and recognize that it is a corporate social responsibility to take appropriate measures to prevent the drinking and smoking of people under the age of 20.

7-Eleven stores put up posters stating "Age verification is being conducted" near the checkout counters selling alcoholic beverages and tobacco and verify the age of purchasers who seem under 20 and 20s with their identification card. Besides, in cooperation with the Japan Franchise Association, Seven-Eleven Japan has established 3 months a year as a month of strengthening age verification at the time of sales of alcoholic beverages and tobacco. Seven-Eleven Japan educates and enlightens its franchisee employees not to sell them to anyone under the age of 20.

Ito-Yokado is working to prevent the sale of alcoholic beverages and tobacco to customers under 20 years of age. To raise customer awareness, it posts displays to let customers identify which products are alcohol. It makes sure to post notices informing customers that it will not sell alcohol and tobacco to customers who cannot be confirmed that they are 20 or older. All store employees receive training on how to verify the age of consumers upon joining the company. Besides, staff in charge of cash registers conducts call-and-response training to prevent the sale of alcoholic beverages and tobacco to minors before the beginning of their daily shifts. The Training Division of its head office periodically checks the implementation status.

Alcoholic beverages of Seven Premium, the Seven & i Group's private brand, are labeled following the "Voluntary code for the advertising and marketing of alcoholic beverages and the labeling of alcohol beverage containers" established by the Japan Liquor Industry Council. Seven & i Group stores that handle alcoholic beverages sell non-alcoholic beverages that can be alternatives to alcoholic beverages for customers over the age of 20.



Poster informing customers about age checks



Poster informing customers about age checks



Cashiers receiving training on the sale of alcohol and tobacco

## Material Issue 6 Create an ethical society through dialogue and collaboration with customers

### Internal and External Communication

Seven & i Group is utilizing the characteristics of the retail business, which is used by approximately 22.2 million customers every day in Japan alone, to promote environmental activities along with its customers. Moreover, we emphasize collaboration with various stakeholders through participation in the activities of external organizations and communication with NPOs. Further, to promote environmental activities, it is necessary for each and every one of our more than 90,000 employees in Japan to take action, so we are also focusing our efforts on awareness-raising activities for employees.



### Communication with Customers

Seven & i Group is committed to environmental activities that take advantage of the distinct ability of the retail business to interact directly with many customers. In March and July of 2021, we conducted “light-down” campaigns in which some of the Group stores turned off their signboard lights as a means of thinking about the global environment along with our customers. About 7,500 Group stores took part in this.

For Environment Month in June 2021, as a donation effort to reduce food loss and waste, a “food drive” was conducted to generate donations by collecting food no longer needed at homes in the area at some Ito-Yokado and Sogo & Seibu stores. Many customers participated, and the collected food was donated to various organizations. At some Ito-Yokado stores, permanent food drive spaces have been set up where these activities are continued throughout the year.

Moreover, in consideration of the COVID-19 pandemic, we are also engaged in awareness-raising activities via the Internet and social media as complementary to efforts at stores. As an example, we started releasing “Kenja no Recipe (Recipe of the Wise)” in March 2021 with the aim of reducing food waste. On this special website, we deliver food waste-cutting recipes with the theme that through eating ingredients used “carefully, appetizingly, wisely, and without waste,” happiness extends to all of the growers of the food, cooks of the food, and diners of the food.

### Support for NPOs and Other Environmental Organizations

Seven & i Holdings continues to make donations to various environmental organizations such as the Keidanren Nature Conservation Fund, which promotes wider awareness of biodiversity and supports the nature protection projects of NGOs in and outside of Japan, as well as WWF Japan, environmental and wildlife preservation group. In addition, with regard to climate change, we joined the Japan Climate Initiative (JCI), the Japan Climate Leaders’ Partnership (JCLP), and the TCFD Consortium, and for plastic issues, we joined the Japan Clean Ocean Material Alliance (CLOMA). We are making efforts to promote environmental activities in cooperation with various companies and organizations.

In addition, Seven-Eleven Japan has been conducting environment-themed social contribution activities together with franchised stores through the Seven-Eleven Foundation since 1993. Based on contributions\*1 from customers collected through collection boxes placed at the counters of 7-Eleven stores, along with donations from Seven-Eleven Japan and other funds, the Seven-Eleven Foundation engages in environmental citizenship activity support projects, natural resource protection and conservation projects, publicity projects, and disaster recovery assistance projects. One of the major pillars of the environmental citizenship activities\*2 is the funding of NPOs and civic groups conducting regional environmental activities. The foundation has been calling for applications each year since 2001, with the goal of seeing regional donations

used to support regional environmental activities. Over the past 21 years in total, the foundation has provided ¥2,561,540,830 in funding for 4,350 activities.

The Seven-Eleven Foundation operates the Kokonoe Furusato Nature School located in Kokonoe Town, Kusu District, Oita Prefecture and the Takao Forest Nature School in Hachioji City, Tokyo, based on the principle of “Learning from nature: how to promote coexistence and mutually beneficial relationships between people and nature and the natural environment and local communities.” The Kokonoe Furusato Nature School is engaged in projects to protect and preserve the abundant nature cultivated by the region as well as its ecosystems, history, and culture. The school’s efforts to promote creation of rice fields that coexist with nature and where living things can thrive has been designated as a project in coordination with the Japan Committee for the United Nations Decade of Biodiversity (UNDB-J). Moreover, The Takao Forest Nature School is a collaborative project with the Tokyo metropolitan government, operating in a forest of approximately 26.5 ha owned by Tokyo metropolitan government. The school’s programs include bird watching, volunteer experiences in the forest, flora observation, and craft work.

※1 Storefront donations collected in the fiscal year ended February 28, 2022 amounted to ¥436,809,753. The total amount of storefront donations collected since the fiscal year ended February 28, 1995 is ¥8,793,258,928.

※2 Assistance for environmental NPOs through public support in the fiscal year ended February 28, 2022 (including recipients of ongoing support): 272 support projects; ¥138,350,724 provided in total



Takao Forest and Nature School



Collection box placed on counters in stores



Kokonoe Furusato Nature School

## Responding to Opinions and Requests

We receive and respond to opinions and requests relating to the environment from customers and civic groups at the customer feedback departments at each Group company and at the Sustainability Promotion Department of Seven & i Holdings. In 2014, when we considered the material issues that Seven & i Holdings should address, we identified our material issues upon engaging in dialogue with stakeholders including customers, business partners, shareholders and other investors, as well as those of CSR experts.

➤ [For more details about the selection process for material issues](#) 

## Employee Environmental Education

In order to raise the environmental awareness of employees, Seven & i Group regularly holds training, events, and more with the aim of instilling basic knowledge and facilitating understanding of environmental matters in line with the characteristics of each of their businesses.

### Conducting Group-Wide e-Learning

In response to the “GREEN CHALLENGE 2050” environmental declaration announced in May 2019, Seven & i Group has conducted Group-wide e-learning every year since 2020. In the fiscal year ended February 28, 2022, this e-learning was implemented for all Seven & i Group employees in Japan, with content that focused on introducing the status of the Group’s initiatives for the achievement of the targets in the “GREEN CHALLENGE 2050” environmental declaration, and activities that can contribute to the achievement of the targets through work and daily life.

### Encouraging Group Employees to Take the Eco Test

Since the fiscal year ended February 28, 2015, Seven & i Group has been encouraging employees to pass the Certification Test for Environmental Specialists (Eco Test) as a training tool for systematically acquiring a broad knowledge about increasingly diverse environmental problems. Each group company supports test takers by subsidizing test fees, holding study sessions, and so forth. In the fiscal year ended February 28, 2022, about 900 employees passed the test (cumulative total of about 10,900 people passing the test).

### Holding Environmental Events to Raise Awareness Among Employees

Seven & i Group holds internal environmental events to provide opportunities to raise the environmental awareness of employees. For example, the Group employees participate alongside 7-Eleven franchisees in volunteer activities organized by the Seven-Eleven Foundation. Major activities include such conservation efforts as forest care operations ranging from tree planting to tree thinning and undergrowth cutting at “Seven Forests” in 16 locations throughout Japan; and marine afforestation initiatives to cultivate eelgrass habitats, which purify water and reduce CO<sub>2</sub>, thereby enriching the marine environments in Tokyo Bay and Osaka Bay. In the fiscal year ended February 28, 2022, a total of 494 people took part in such events, including personnel from Seven-Eleven Japan franchised stores and Head Office employees as well as the Group employees. Starting in 2006, the number of participants so far totals 13,712.

Additionally, we are engaged in various activities to raise employee awareness, particularly in June, which has been designated as Environment Month, and October, which has been designated as Food Waste Reduction Month. In the fiscal year ended February 28, 2022, we provided employees with opportunities to think about the environment as a personal issue by conducting such efforts as a food drive where customers could bring food they did not use at home and donate it to a food bank, the collection of empty disposable contact lens packages as a measure against plastic waste, and a recipe contest to reduce food waste at the Group stores.

➤ [For more details about “Seven Forest” \(in Japanese\)](#) 

➤ [For more details about the Tokyo Bay UMI Project \(in Japanese\)](#) 

## Material Issue 6 Create an ethical society through dialogue and collaboration with customers

### Sustainable Environment Conservation Activities

Seven & i Holdings collaborates with NPOs and other organizations to undertake measures that help prevent global warming and preserve biodiversity.



### Working with Local Regions to Leave a Rich Natural Landscape to the Next Generation

Seven & i Holdings participates in Seven Forest creation activities run by Seven-Eleven Foundation at 16 locations across Japan to help prevent global warming and contribute to the maintenance and conservation of biodiversity. Seven Forest creation activities are carried out by employee volunteers from 7-Eleven franchised stores and locals under collaboration agreements with governments nationwide, NPOs, and others throughout Japan.

In addition, encouraging greater use of wood materials collected by forest thinning initiatives can lead to solving issues with Japan's forests. Based on this, wood material collected from Seven Forest is used within the Group for store materials and office supplies, as well as in commercialization to promote use of national resources.

➤ [For details about Seven Forest \(in Japanese\)](#)



Seven Forest Creation

#### Overview of Seven Forest Creation



#### Seven-Eleven Foundation

Seven-Eleven Foundation was established in 1993 for 7-Eleven stores and Seven-Eleven Japan to work together as one on environmentally-themed social contribution activities. Using money collected from in-store donation boxes and donations by Seven-Eleven Japan, the foundation engages in projects related to environmental citizenship activity support, nature conservation, public engagement, and disaster reconstruction assistance. In the fiscal year 2021, in-store donations totaled ¥436,809,753 and ¥138,350,724 were used to make grants to 272 environmental citizenship projects (including ongoing projects), which supports environmental activities led by local citizens.

Seven-Eleven Foundation, in cooperation with various organizations, and based on the theme of restoring a rich natural environment, has continued its Seven Forest Creation activities to protect the natural cycle of forests, riparian forests, and ocean, as well as to increase CO<sub>2</sub> absorption and oxygen production. For our Mountain Forest Creation initiative, we carry out nurturing activities from tree planting to weeding and thinning, which leads to the conservation and restoration of abundant forests. Furthermore, as for Seven Forest Creation in the Sea project, the foundation is working to increase the amount of eelgrass, which purifies seawater quality and helps preserve biodiversity by absorbing CO<sub>2</sub> in the sea and accumulating carbon. Seven-Eleven Foundation has concluded agreements with governments/municipals and NPO



corporations, and is working with 7-Eleven franchised stores and citizens towards the goal of creating our natural environment where rich biodiversity can co-exist with the local people.

In March 2021, Seven-Eleven Foundation concluded the "Cooperation Agreement on Environmental Conservation and Collaborative Efforts" with the Ministry of the Environment, and the Environmental Partnership Council (EPC), which is an organization entrusted with the Global Environmental Outreach Centre (GEOC).









The foundation also operates the Kuju Furusato Nature School and Takao Forest Nature School under the foundation's basic philosophy of "learning from nature on the coexistence and co-prosperity of people and nature, the natural environment and local communities." Both schools collaborate with government agencies, companies, and educational institutions through activities to protect and preserve the natural environment. The schools also contribute to human resource development by providing learning experiences such as the importance of biodiversity, local nature, history, the culture of the region, and pass them on to future generations. Not only educational activities but the schools also engage with research activities. The Kuju Furusato Nature School has been registered as a monitoring site to the "Monitoring Site 1000" project operated by the Biodiversity Center of the Ministry of the Environment and has been monitoring flora and fauna since 2007. The Takao Forest Nature School has also been registered since 2018. Kuju Furusato Nature School's "Decade of Rice Paddy Biodiversity Enhancement Project" is registered as an authorized collaborative project of the United Nations Decade of Biodiversity Japan Committee (UNDB-J).


➤ [Seven-Eleven Foundation website \(in Japanese\)](#) 

#### Operation of learning facilities for the protection and preservation of the natural environment

Name	Web Link (Japanese)
Takao Forest Nature School	<a href="#">LINK</a> 
Kuju Furusato Nature School	<a href="#">LINK</a> 

#### Examples of partnerships to protect and preserve the natural environment

Name	Details	
The Ministry of Environment "Monitoring Site 1000"	Participation in continuous activities to collect and accumulate natural environment data since 2007	<a href="#">Link</a> (Japanese) 
	The Ministry of Environment	<a href="#">Link</a> 
"Cooperation Agreement on Environmental Conservation and Collaborative Efforts" ( <a href="#">Link</a>  ) (Japanese)	Environmental Partnership Council (EPC), which is entrusted with the Global Environment Outreach Centre (GEOC)	<a href="#">Link</a> 
Seven Forest Creation	Promoting healthy forest development through forest nurturing activities ranging from tree planting to clearing and thinning	<a href="#">Link</a> (Japanese) 
Seven Forest Creation in the Sea	In addition to beach cleanups, the project promotes restoring water quality, planting CO <sub>2</sub> -absorbing plant - eelgrass to enhance the healthy ocean environment.	<a href="#">Link</a> (Japanese) 
Mt. Fuji Conservation Activities	Since 1994, with the cooperation of the Mt. Fuji Club (NPO), cleanup and removal of invasive species have been conducted on both the Yamanashi and Shizuoka sides of the mountain.	<a href="#">Link</a> (Japanese) 
Kiritappu Wetland National Trust	In order to pass on the rich ecosystem of Kiritappu wetland to the next generation, the foundation promotes the National Trust Movement together with the Kiritappu Werland National Trust (NPO)	<a href="#">Link</a> 

Name	Details	
The United Nations Decade of Biodiversity Japan Committee (UNDB-J)	"Decade of Rice Paddy Biodiversity Enhancement Project" is registered as an authorized collaborative project with UNDB-J	<a href="#">Link (Japanese)</a> 

## UMIGOMI Zero WEEK (Sea Waste Zero Week)

Seven-Eleven Japan supports the Umi-to-Nippon Project (Ocean and Japan Project)—run by the Ministry of the Environment and the Nippon Foundation—and carries out the UMIGOMI Zero WEEK (Sea Waste Zero Week), among other regional cleanup projects. The company has also participated in events such as a cleanup project in the Shonan Enoshima area in May 2019, followed by another in May 2022 in Shibuya Center Street, as well as implementing other local cleanup projects. Franchise store owners, employees, and Head Office employees participated, along with employees of the Group companies and others. We remain committed to creating a beautiful community and conserving the environment through environmental beautification projects all over the country.



Sea Waste Zero Week (in Enoshima)



Sea Waste Zero Week (in Shibuya)

## Green Wrapping

Sogo & Seibu is promoting the use of "green wrapping," for customers when they order gifts, which sends the message of "keeping the earth's environment in mind." This involves the purchase of a wrapping ribbon with a leaf-shaped tag mascot for an additional price of ¥100 (including tax), of which ¥50 is donated to tree planting and growing activities. One tree is planted for every 80 ribbons sold. In addition, customers purchasing ochuugen and oseibo (summer and winter) gifts who agree to simple packaging also contribute to tree planting, with one tree planted for every 4,000 gifts that use the simple packaging option. (Between 2009 and the end of February 2022, a total of 18,233 trees were planted under this initiative.)



Green Wrapping



Employees carefully plant seedlings provided by the kindness of customers

## Sale of Rice Cultivated while Protecting the Environment and Biodiversity

Ito-Yokado sells a rice series that is cultivated with measures designed to protect the environment and biodiversity in place. It not only uses fewer agrichemicals and chemical fertilizers, but also encourages agroecology, in which rice fields also serve as wildlife habitats. A portion of sales are donated for the purpose of making environmental improvements. In the fiscal year ended February 28, 2022, sales of Koshihikari Rice Nurturing White Storks provided approximately ¥40,000 for nurturing oriental white storks, while sales of Sado, Niigata Prefecture- Produced Koshihikari Rice Certified by the Creating Villages Coexisting with Crested Ibis Program provided approximately ¥70,000 to the Fund for the Improved Habitat for the Japanese Crested Ibis.



Rice cultivated while protecting the environment and biodiversity

## Participating in the Green Down Project

Ito-Yokado has been participating in the Green Down Project, the objective of which is appropriate disposal and recycling of down products. As of March 2020, Ito-Yokado stores have perfected their systems for collecting down jackets, now enabling drop-off of down futons and down jackets at all times. Also, as of November 2020, approximately 70 store locations had begun selling products made of down collected and recycled through this project.

From March 2020 to December 2021, a total of 3,268 down items were collected from customers through this project. The revenues garnered from selling these items, approximately ¥760,000 (excluding tax), were donated to the Kiritappu Wetland National Trust, an organization that works for the conservation of key habitats for water fowl.

## Donation of Revenues from Paid Plastic Bags

The three companies of Ito-Yokado, York-Benimaru, and York, are working on reducing plastic bag use, intending to resolve such global environmental issues as ocean plastics pollution and CO<sub>2</sub> emission reduction. To further curb the negative impact on environment, the companies have been selling only environmentally-friendly plastic bags to customers since July 1, 2020. Revenues<sup>※1</sup> of the three companies from these bags totaled approximately ¥63,920,000<sup>※2</sup>. The revenues were gifted to approximately 20 organizations, including municipal governments, for broad use in environmental conservation initiatives.

※1 Amount after subtracting raw material costs from sales revenues

※2 Total for the period of January 1, 2021–December 31, 2021

## Material Issues 7 Achieve a sustainable society through partnerships

### Approach to the Material Issue

The Seven & i Group believes that its important role is to contribute to achieving a sustainable society by providing socially and environmentally friendly products and services. Cooperation with our partners, such as franchisees and business partners is indispensable to provide them.

In every process from procuring raw materials to delivering products to customers, Seven & i Holdings believes that it must not only comply with laws and regulations, but it must also supply valuable products that show consideration for society and the environment. This will contribute to improving the sustainability of resources and is crucial to enhancing the strength of supply chains and ensuring business continuity. Partnerships are also important to solve social issues such as the SDGs and to create new experiential value.

To this end, we promote initiatives throughout the value chain, including our franchisees and business partners.

### Background to the Material Issue

#### Heightened Interest in the Social and Environmental Impact of Supply Chains

Modern slaves are individuals forced into labor, trafficking, sexual exploitation, forced marriage, etc., and it is said that there are about 40 million slaves throughout the world. According to studies, about 70% of these slaves are women, with children accounting for 25%\*.

Against the backdrop of a multitude of social issues like these around the world, an increasing number of consumers are seeking to purchase goods produced through fair trade practices. With a heightened awareness of ethical consumption, it has become crucial to build sustainable business models across the entire supply chain.

\* Source: Global Slavery Index 2018

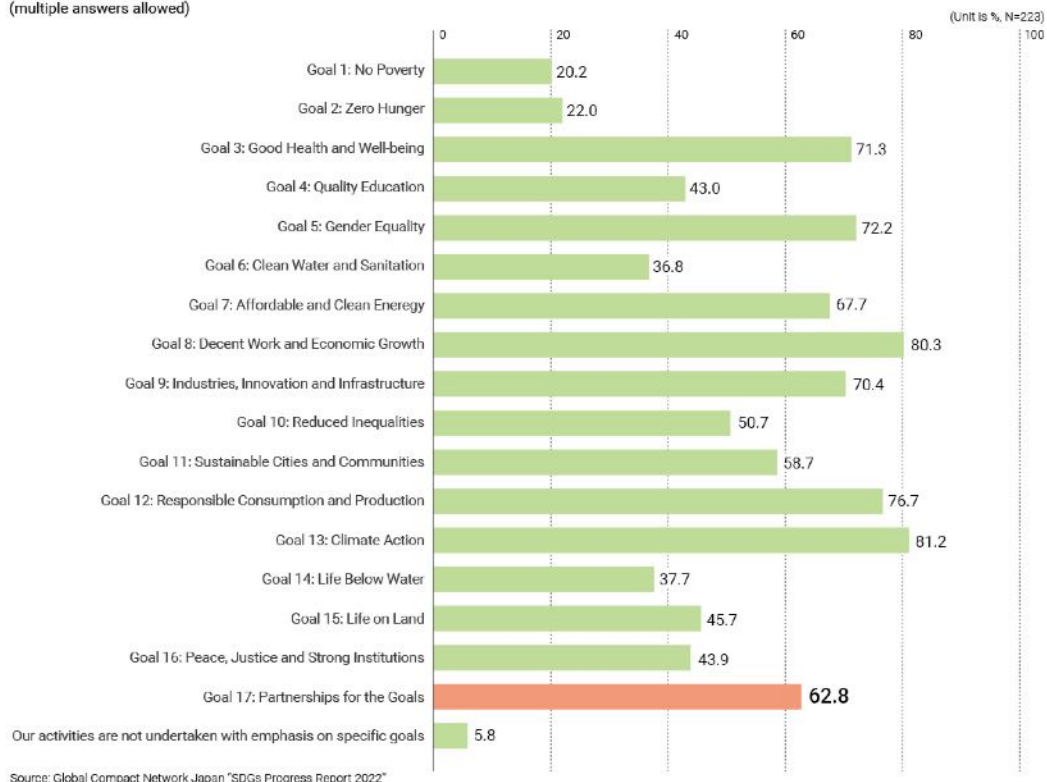


## Growing need for partnerships

Recently, as the impact of social issues has grown, it has become increasingly difficult for a single organization to solve them. That is the reason why SDGs call for the importance of partnerships. In addition, in order to respond to impending issues as early as possible and provide greater value, it is necessary to combine the knowledge and technologies of a diverse range of partners, not just one's own company.

### Organization chosen with emphasis on Goal 17 of the SDGs, "Partnership for the Goals"

Which of the SDGs (based also on the impact of the spread of COVID-19) have you chosen to emphasize in activities at your company or organization?  
(multiple answers allowed)



## Contribution to SDGs

By addressing this material issue, the Seven & i Group improves the resilience of its supply chain and contribute to the achievement of Sustainable Development Goals (SDGs) Goals 1 and 8, 10, 12, 16, and 17.



## Seven & i Group's Initiatives

**Building a Sustainable Supply Chain Together with our Business Partners** >

**Expanding Services as a Form of Social Infrastructure** >

## Material Issues 7 Achieve a sustainable society through partnerships

### Building a Sustainable Supply Chain Together with our Business Partners

Since its establishment, Seven & i Holdings has always been committed to being a sincere company that is trusted by the various stakeholders who support our corporate activities, including customers, business partners, shareholders, local communities, and employees, as stated in our corporate creed.

Today, the world is facing a variety of issues related to human rights. Companies are being required to fulfill their social responsibilities, such as respecting and protecting human rights throughout the supply chain of the products and services they handle, complying with laws and regulations, protecting the environment, and giving consideration to working conditions. Seven & i Group places the highest priority on respecting and protecting human rights, and we ask our business partners to understand and implement the Seven & i Group Business Partner Sustainability Action Guidelines. We believe that we can provide safe and secure products to our customers by working together with our suppliers to implement the Seven & i Group Business Partner Sustainable Action Guidelines and build a supply chain that fosters sustainable development.



### Strengthening Enactment of the Seven & i Group Business Partner Sustainable Action Guidelines

Seven & i Holdings is strengthening the enactment of the Business Partner Sustainable Action Guidelines in order to provide safe and reliable products to customers and to fulfill our social responsibilities in areas such as human rights, labor, and the environment in cooperation with our suppliers. We also ask our suppliers to conduct and promote human rights due diligence.

### Thorough Implementation of the Seven & i Group Business Partner Sustainable Action Guidelines

In April 2017, Seven & i Holdings revised the "Seven & i Holdings Business Partner Action Guidelines" formulated in 2007 as the "Seven & i Group Business Partner Action Guidelines," and we have asked our business partners to understand and comply with these guidelines. In December 2019, we further revised these guidelines as the "Seven & i Group Business Partner Sustainability Action Guidelines" (hereinafter, the Guidelines). The purpose of the Guidelines is not only to ensure the safety and quality of products and services handled by the Group, but also to fulfill our social responsibilities together with our suppliers by promoting the protection and respect of human rights, compliance with laws and regulations, global environmental conservation, and consideration for the working environment throughout the supply chain. These guidelines are disseminated to all Group companies through various meetings with suppliers.

## Seven & i Group Business Partner Sustainable Action Guidelines (Excerpt)

1. Respect and Protection of Human Rights
2. Legal Compliance
3. No Child Labour and Protection for Young Workers
4. No Forced Labour
5. Payment of Living Wages
6. Elimination of Abuse, Harassment, Discrimination and Punishment
7. Employment and Protection of Workers
8. Preservation of Global Environment
9. Prevention of Confidential Information Leakage and Information Management
10. Management of Personal Information
11. Quality Control and Ethical Response
12. Relationship with Local and International Communities
13. Anti-corruption and Fair Business Practices
14. Protection of Intellectual Property
15. Export and Import Management
16. Development of Internal Reporting Systems
17. Disaster Preparedness
18. Development into Supply Chain
19. Monitoring

➤ [The Seven & i Group Business Partner Sustainable Action Guidelines can be found here.](#) 

\*As of the end of February 2022, this document is available in 21 languages.

## Establishment of a Human Rights Due Diligence System

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Seven & i Group's management philosophy is to be a sincere company that is trusted by various stakeholders, as stated in its corporate creed. In particular, we recognize that "respect for human rights" is the most important factor in conducting sustainable business activities and remaining a trustworthy and honest company.

In order to respect and protect human rights in the supply chain, the Seven & i Group Business Partner Sustainable Action Guidelines express the Group's stance on respect for human rights and request that suppliers comply with the guidelines. The Seven & i Group Business Partner Sustainable Action Guidelines have been formulated as action guidelines that focus on respect for human rights in accordance with international labour standards such as the United Nations Guiding Principles on Business and Human Rights, the ILO Basic Labour Conventions, and the OECD Guidelines for Multinational Enterprises. We are working to strengthen our human rights due diligence system by implementing a human rights due diligence process that includes the identification and assessment of human rights risks, the implementation of actions to mitigate human rights risks, the monitoring of corrective actions, and the disclosure of information, as well as developing a grievance mechanism and promoting dialogue with stakeholders.



### Human Rights Due Diligence System for the Business Partner Sustainable Action Guidelines

Seven & i Group assesses the potential negative human rights impacts of its business activities on the supply chain, and based on the results of the assessment, prevents and mitigates the identified negative human rights impacts, requests cooperation from suppliers in preventing and addressing such impacts, and takes remedial and corrective actions in the event of human rights violations. We have an ongoing process of conducting follow-up evaluations and disclosing the results on our website.

#### Assess, Identify, and Analyze negative impacts on Human Rights:

Grasping the production factories of private-brand products, conducting self-checks by suppliers, and conducting CSR audits by a third-party auditing organization

#### Actions:

Education and awareness-raising activities aimed at reducing human rights risks, memorandum on CSR with suppliers commissioned to manufacture private-brand products, start of business transactions based on the premise of obtaining CSR audit certification at private-brand product manufacturing factories in China and Southeast Asia

#### Follow-up Evaluation:

Issue remediation and corrective action support

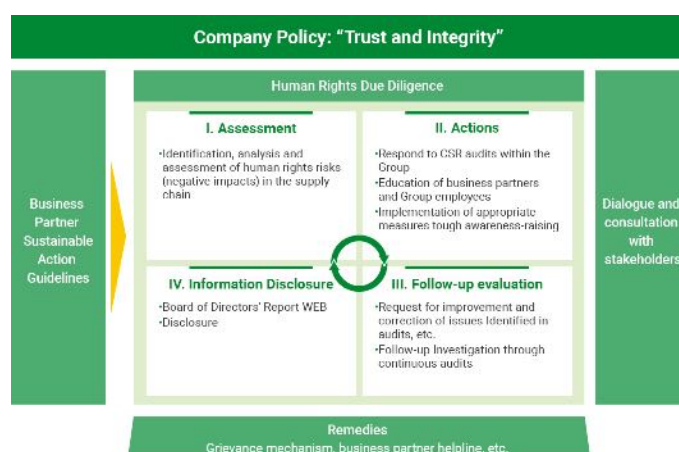
#### Information Disclosure:

Report the results to the Board of Directors and publish the results on the web

#### Relief Measures:

Establishment and operation of a dedicated supplier helpline as a grievance mechanism

### Human Rights Due Diligence System for the Business Partner Sustainable Action Guidelines



Seven & i Group classifies supplier risks into five levels (R1 to R5) by region from the perspectives of human rights, labor environment, and global environmental conservation, and designates the region with the highest risk as R1, with "emerging regions in China and Southeast Asia" as R1 for priority response.

### Operation of a Dedicated Helpline for Business Partners as a Grievance Mechanism

In order to provide safe and reliable products and services to our customers, Seven & i Holdings has established the Seven & i Holdings Business Partner Helpline. It is operated by IntegreX Inc. – a third-party organization – as a safe contact point, with consultation and reporting transaction service for early detection and prevention of problems in the supply chain. With the swift reporting from IntegreX Inc. to Seven & i Holdings and its Group companies, we strive to ensure fair transactions/problem-solving by promptly making improvements.

➤ [Click here for the Seven & i Holdings Business Partner Helpline](#) 

E-mail : [7andi-helpline@integrex.jp](mailto:7andi-helpline@integrex.jp)

Mailing address: 7F, 5-8-14 Hiroo, Shibuya-ku, Tokyo 150-0012, Japan (IntegreX Inc.)

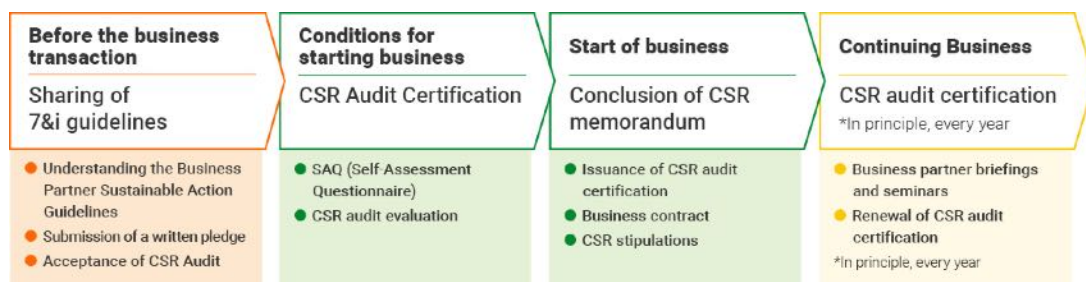
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## Operation of the Seven & i Group Business Partner Sustainable Action Guidelines

Seven & i Holdings has asked factories that manufacture our private-brand products (Seven Premium) and private-brand products of the Group companies to cooperate in CSR audits if they are located in areas of high risk for human rights protection and legal compliance. In addition, Seven & i Group has been conducting CSR audits of factories that manufacture private-brand products in general. We also share the status of promotion of the Seven & i Group Business Partner Sustainable Action Guidelines with our suppliers and support corrective measures for problems.

We ask potential suppliers to understand and comply with the Seven & i Group Guidelines for Sustainable Business Conduct before starting business with us. If the supplier is found to be in compliance based on the results of the CSR audit and the status of corrective measures, a "Certificate of Conformity" is issued. The acquisition of a Certificate of Conformity is a prerequisite for continuing business with us.

Flow of CSR Audit and Certification System for PB Manufacturing Factories in China and Southeast Asia



### Agree to the Memorandum on CSR

Seven & i Group, together with its suppliers, aims to realize the goals of Goal 8 of the SDGs, which are "human-oriented employment with job satisfaction," "eradication of forced labor," and "prohibition and elimination of child labor. In addition, we will actively work to maintain and improve the appropriate working environment of our suppliers, such as by "ensuring appropriate labor practices in the supply chain. We ask our suppliers to agree to a memorandum on CSR as a condition of starting/continuing business with us when we outsource the manufacturing of our private brands.

In order to fulfill our responsibility to respect corporate social responsibility (CSR) and human rights, and to contribute to the realization of a sustainable society, we confirm that we will comply with the Corporate Action Guidelines and that we will continue to work together to promote CSR and human rights considerations throughout the supply chain. The purpose of this report is to confirm that we will continue to work together to promote CSR and respect human rights throughout the supply chain in light of the demands of society.

#### Memorandum on CSR

- Article 1 (Purpose)
- Article 2 (Compliance with the Seven & i Group Business Partner Sustainable Action Guidelines)
- Article 3 (Implementation of Internal Control over the Business Partner Sustainable Action Guidelines)
- Article 4 (Explanation of the Business Partner Sustainable Action Guidelines, etc.)
- Article 5 (Obligation to Report the Status of Compliance with the Business Partner Sustainable Action Guidelines, etc.)
- Article 6 (Duty to report)
- Article 7 (Right of A to investigate and audit)
- Article 8 (Demand for correction in case of violation)
- Article 9 (Right of cancellation in case of non-compliance with demand for correction)
- Article 10 (Indemnification for damages)
- Article 11 (Revision of the Business Partner Sustainable Action Guidelines)
- Article 12 (Effective Period)
- Article 13 (Governing Law and Jurisdiction)
- Article 14 (Matters to be discussed)

\*This document has been prepared with reference to the materials of the Japan Federation of Bar Associations.

## Conducting Self-Checks

Seven & i Group provides a self-check sheet to allow suppliers to check the status of their promotion of the Business Partner Sustainable Action Guidelines and to support corrective actions as necessary. This checklist was created with reference to ISO 26000, the Keidanren Charter of Corporate Behavior, the OECD Guidelines for Multinational Enterprises, and the ILO International Labour Standards. Since November 2018, we have been checking similar content (124 items) as the CSR audits, including human rights and labor environment, global environmental preservation, and information management, for private brand product manufacturing contractors of the Seven & i Group companies.

#### Status of Self-Check Responses

FY	No. of Factories Targeted	No. of Factories who Replied (No. of Domestic/ Overseas Factories)	Response Rate
FY2021	1,593 factories	1,303 factories (894 / 409)	81.7%
FY2020	1,546 factories	1,267 factories (854 / 413)	81.9%
FY2019	1,871 factories	1,902 factories (1,468 / 434)	98.4%

#### Seven & i Group CSR Audit

In order to ensure the safety and security of products and to realize a sustainable society together with our suppliers, Seven & i Group has conducted third-party audits to the manufacturing factories of our suppliers in accordance with our own audit items (16 major categories and 117 check items). The audit items comply with international conventions such as the International Labour Organization (ILO) Convention, which is a global standard, and ISO 26000, and consist of the Seven & i Group Business Partner Sustainable Action Guidelines, protection of human rights, compliance with laws and regulations, occupational health and safety, and environmental protection.

## 16 Major Categories and 117 Items in the CSR Audit (Excerpt)

### ■ 1. Implementation of Management System and Rules

- Organizations must implement and maintain a system in compliance with all items of the Seven & i Group Business Partner Sustainable Action Guidelines
- To the extent feasible, organizations should extend the Guidelines to their own supply chains.
- Organizations must monitor and comply with relevant laws and regulations, as well as international treaties and so forth.

### ■ 2. Forced Labor

- There must be no forced, bonded or coerced prison labor.
- Employers must not force workers to make a financial deposit or submit their identification documents, such as a passport, and freedom of movement must be assured.
- Workers may resign freely as they wish, after giving adequate notice.
- National and regional laws pertaining to forced labor are recognized.

### ■ 3. Freedom of Association

- Workers have the right to establish or join labor unions of their own choosing without being subject to discrimination, and hold the right to collective bargaining.
- Local laws and workers' rights concerning freedom of association are recognized.

### ■ 4. Health and Safety

- Safety protection measures must be applied to equipment and machinery and preventive maintenance must be undertaken.
- Chemicals must be handled and stored appropriately.
- All necessary protective equipment must be purchased and regularly replaced.

### ■ 5. Child Labor and Young Underage Workers

- Children must not be put to work.
- Young workers under the age of 18 must not be made to work at night, or in a hazardous environment. This work includes tasks using chemical substances, work near such substances, or work where there is hazardous machinery or excessive noise. Heavy labor, night shifts, and work for long hours are also included.

### ■ 6. Living Wages

- Wages must be paid at or above the national/regional legal standards.
- Overtime allowances must be paid at the required statutory ratio.
- All allowances and benefits must be provided to workers as required by law.
- Documents detailing the labor conditions of workers, such as wage slips, information of labor recruiters, and contracts must be disclosed to workers.

\*The living wage includes food, housing cost, clothing, and other additional expenses related to health, transportation, personal care, child care, and education.

\*The base of the living wage calculation is based on the anchor calculation method of the Global Living Wage Coalition.

### ■ 7. Working Time

- Workers must not be habitually required to work over 48 hours per week. On average, workers must be given a rest period of one day every 7 days. Overtime must be voluntary and must not exceed 12 hours per week. Overtime must not be habitually requested and additional fees must always be paid.

### ■ 8. Discrimination

- Discrimination in the course of recruitment, remuneration, provision of training, pay raises, dismissal and retirement is prohibited with respect to race, class, nationality, religion, age, disability, gender, marital status, sexual orientation, union membership, or political party affiliation.

## ■ 9. Regular Employment

- To the extent possible, operations must be executed on the basis of generally accepted employment relationships based on national laws and regulations.
- Recruitment fees for workers to get a job must be borne by employers, not by the workers ("Employer Pays Principle") unless allowed by local labor law.

## ■ 10. Subcontracting Agreements, Domestic Industry, Outsourced Processing

- Subcontracting is not permitted without the prior consent of customers.

## ■ 11. Disciplinary Action

- Physical abuse or punishment, threats of physical abuse, sexual or other forms of harassment, or verbal abuse or threats, must be prohibited.
- Disciplinary methods must be fair and effective and must not be arbitrary.
- Employers must show respect for the mental, emotional and physical health of workers in connection with the necessary disciplinary action.

## ■ 12. Environment

- Organizations must pursue continuous improvement in their environmental performance and, at the very least, comply with local requirements and international laws and regulations.
- Chemical substances prohibited by international treaties, or laws and regulations, must not be used.

## ■ 13. Fair Business Practices

- Laws and regulations related to fair business practices must be understood and complied with.

## ■ 14. Ensuring Product Safety

- Products delivered to each Seven & i operating company must comply with the quality standards requested by each relevant operating company and comply with relevant legal standards established in Japan.

## ■ 15. Security Management

- Security systems must be in place to ensure protection from access with malicious intent.

## ■ 16. Interests of Local Communities

- Relationships with anti-social forces must be rejected.

### Evaluation and Certification of CSR audits

The 16 major categories of the CSR audit are divided into three evaluation categories. The four most important categories are "forced labor," "child labor and young workers," "living wage (minimum wage)," and "disciplinary punishment. If any of these non-conformities is found, it will be classified as [Critical Non-conformity 1], and a recommendation will be made to the Group's operating companies that have contracts with the factory in question to discontinue business.

The next most important audit categories are categories of laws and regulations related to "health and safety," "working hours," "subcontracting," "environment," and "product safety." If a non-conformity is found, it is classified as a "Critical Non-conformity 2," and we notify the Group companies that have contracts with the factory in question to consider whether or not to continue doing business with them. If we decide to continue our business, we will conduct a follow-up audit to confirm that the problem has been corrected before continuing our business.

No.	Classification	No.	Classification
1	Management System and Action Guideline Implementation	9	Regular Employment
2	Forced Labour	10	Subcontracting, Cottage Industry, External Processing
3	Freedom of Association	11	Punishment
4	Health and Safety	12	Global Environment Conservation
5	Child Labour and Youth Workers	13	Anti-corruption and Fair Trade
6	Living Wages	14	Ensuring product safety
7	Working Hours	15	Security Management
8	Discrimination and Harassment	16	Community benefits and disaster response

## Evaluation Standard

CSR audit results are evaluated on a five-point scale of A, B, C, D, and E.

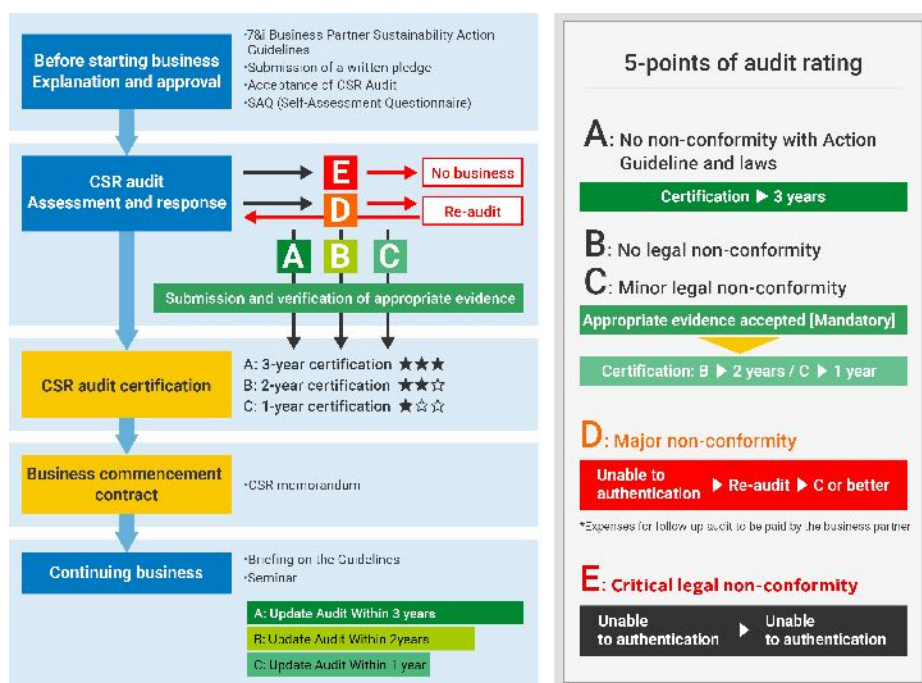
The "A" rating indicates that the CSR audit did not reveal any non-conformity with laws, regulations, or local ordinances, nor did it reveal any non-conformity with the Seven & i Group Business Partner Sustainable Action Guidelines.

"B" is for factories where no legal non-conformity was found but non-conformity to the Seven & i Group Business Partner Sustainable Action Guidelines was found, and "C" is for factories where no serious non-conformity was found but legal non-conformity was found.

"D" is the evaluation of a factory that has been confirmed to have Major Non-conformity Critical 2 or that has been confirmed to have 10 or more non-conformities with laws and regulations.

"E" is the rating for the most serious situation, where at least one [Critical 1 Major Non-conformity] corresponding to [Forced Labor], [Child Labor], [Living Wage (Minimum Wage)], or [Punishment] is identified, or where 10 or more [Critical 2 Major Non-conformities] or 20 or more non-conformities with laws and regulations are identified. All non-conformities are corrected within 90 days from the audit date, and if correction is confirmed, certification is given in accordance with the evaluation.

### Certification Operational Rules (in China and Southeast Asia)



\* Even in case of a rating equivalent to A or B, the certification may be for one year

## Audit Evaluation Standard

Evaluation	Unsuitable content	Conditions (not applicable)	Certification Criteria
<b>A</b>	No non-conformity with Action Guideline and laws	0	3-year certification
<b>B</b>	● Minor non-conformity with Action Guideline	1~9	appropriate certificate acceptance
	● Major non-conformity with laws	0	2-year certification
<b>C</b>	● Minor non-conformity with Action Guideline	10 or more	appropriate certificate acceptance
	● Major non-conformity with laws	1~9	1-year certification
<b>D</b>	● Major non-conformity with laws	10~19	<b>Re-Audit</b> Continued business with "C" or higher *Up to 1 year certification
	● Critical non-conformity (C2)	1~9	
<b>E</b>	● Major non-conformity with laws	20 or more	Recommendation to terminate business
	● Critical non-conformity (C2)	10 or more	
	● Critical non-conformity (C1)	1 or more	

\*C1: 24h 5-minute non-compliance regarding forced labor, child and juvenile labor, disciplinary actions, and living wage within a full requirements and reports.

\*C2: Major non-conformities in health and safety, working hours, subcontracting, environment, and product security.

\*Even in case of a rating equivalent to A or B, the certification may be for one year.

## Flow of the Day of the CSR Audit

Seven & i Holdings provides advance notice and visits the factories to be audited to confirm compliance with the CSR audit items by checking sites, documents, and data, and by interviewing managers and workers. Interviews with workers are conducted in a separate room, with only the auditors present, to prevent any instructions or retaliation from the employers. In principle, on-site audits are conducted in one day, from 9:00 a.m. to 6:00 p.m. Materials and images submitted by the factory during the audit will be properly managed and supplemented based on the confidentiality agreement, and will not be leaked to outside parties.

Opening Meeting	Site Check	Executive Interview	Employee Interview	Document Check	Closing Meeting
<b>Target attendees:</b> Factory manager Respective department manager of the HR, Facility & Equipment, and QA  <b>Agenda:</b> •Briefing on the main point of the audit •Declaration of confidentiality •Schedule briefing	<b>Scope of audit:</b> Entire factory (production line, warehouse and chemical closet, lounge, ancillary facilities including cafeteria, dormitory, etc., sewage disposal system, scrap yard, power generation/feed facilities, other relevant areas)  <b>Accompanied by:</b> Respective facility manager	<b>Target attendees:</b> Factory manager Relevant department's managing staff  <b>Questions:</b> Organizational operation Implementation status of Business Partner Sustainable Action Guidelines, human rights/ethics, health and safety, labor, helpline, treatment of non-Japanese workers, etc.	<b>Target attendees:</b> Site workers  <b>Number of workers:</b> About three people  <b>Selection method:</b> Candidates selected by the auditor on the day  <b>Required time:</b> 10 minutes/person	<b>Scope of audit:</b> •Project approval •Notifications/permission and approvals •Work regulations •Job contract •Labor management •Safety control •Chemical substance control •Waste control •Environment/sewage control •Information control etc.	<b>Target attendees:</b> Factory manager Respective department manager of the HR, Facility & Equipment, and QA  <b>Agenda:</b> Comprehensive assessment of the audit and explanation of findings Request for preparing a corrective action plan

## Confirmation of Correction after Audit

If any non-conformity is found as a result of the audit, the third-party audit organization will point out the non-conformity to the supplier. Suppliers are requested to submit a Corrective Action Plan (CAP) based on the findings to the audit organization within 10 business days after the audit, and are required to take immediate action to improve the issues identified. After receiving a report from the supplier on the completion of improvement, we will confirm the completion of the improvement by receiving photos and collateral materials (evidence) showing the improvement. However, in cases where a certain standard is exceeded, such as when a large number of serious non-conforming items occur, we visit the factory again and conduct another audit to confirm that the problem has been corrected.

◆Process for submitting a Corrective Action Plan (CAP)

- (1) Report on the cause of non-conformity and corrective action plan: Submit to the auditor within 10 days
- (2) Implementation of corrective actions: Submit evidence to auditors within 90 days.\*
- (3) Appropriate CAP: Accepted by auditor → Confirmed and approved by Seven & i Holdings → Certificate issued  
Inappropriate CAP: Return submitted documents and request for re-submission

\*If evidence of correction is not submitted within 90 days of the completion of the audit, a re-audit (follow-up audit) will be conducted.

## Response to Major Non-conformities

Seven & i Holdings does not tolerate any form of human rights violation in the Group's business or supply chain. Our response to the major non-conformities is stipulated in the "Seven & i Group Business Partner Sustainable Action Guidelines," which we disseminate to all our suppliers and explain at supplier briefings.

## CSR Audit Certification System

Seven & i Holdings issues a Certificate of Conformity to suppliers when the results of CSR audits indicate conformity. If a nonconformity is found, a "Certificate of Conformity" is issued to the supplier when the non-conformity has been corrected or when the third-party auditing organization and Seven & i Holdings determine that the content of the plan described in the CAP is valid.



CSR audit certification "Certificate of Conformity"

## Results of CSR Audits of Suppliers

### CSR audits of Overseas Factories

Since fiscal 2012, Seven & i Holdings has been conducting annual CSR audits to confirm compliance with the Seven & i Group Business Partner Sustainable Action Guidelines by defining critical suppliers as those factories that are judged to be particularly important from the perspective of risk management. We conduct annual CSR audits to confirm compliance with the Seven & i Group Business Partner Sustainable Action Guidelines.

### Our Definition of "Critical Suppliers"

We define "critical suppliers" as factories contracted to manufacture Seven Premium (private-brand) products, and factories located in China and Southeast Asia (13 countries) contracted to manufacture private-brand products of the Group companies, that handle high volume, critical and non-substitutable for our private brand products.

### Number of CSR Audits (Overseas Factories)

FY	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 Plan
No. of audited factories	17	28	328	226	245	215	274	304	413	357	434
Implementation rate*1 (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	89.8*2	79.9*3	-

\*1 Ratio of the number of factories audited to the planned number of factories (excluding factories that no longer need to be audited due to completion of production, cessation of business)

\*2 In FY2020, audits were suspended at 47 factories to prevent the spread of novel coronavirus infection.


\*3 In FY2021, audits were suspended at 31 factories to prevent the spread of novel coronavirus infection.

### Number of Re-audited Factories (Overseas)

FY	Total			Aparel			Household Goods			Foods		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
No. of re-audited factories	112*1	40*2	37	56	24	17	36	9	12	20	7	8

\*1 Number of re-audited plants increased due to stricter re-audit standards from FY2019

\*2 Introduce a certification system based on CSR audits as a condition for starting new transactions from FY2020

> [Number of Factories with Non-conformity Found by Country and Audit Category from FY2018 to FY 2020\(Oversea Factories\)](#) 

> [Number of Factories Audited by Product Category from FY2018 to FY2020\(Oversea Factories\)](#) 

> [Number of Factories with Non-conformity Found by Country and Audit Category from FY2019 to FY2021 \(Oversea Factories\)](#) 

> [Number of Factories Audited by Product Category from FY2019 to FY2021 \(Oversea Factories\)](#) 

### Response to Non-conformities (CSR Audit Major Non-Conformity Cases and Remedial, Corrective, and Preventive Actions for Non-Conformity)

In the fiscal year ended February 28, 2022, CSR audits found doubts of non-conformity in 295 out of 357 factories. Five factories of them were identified to have [Major Non-conformity Critical 1]. Regarding living wage (minimum wage), one case of payment of wages below the minimum wage was found, and in two cases, payment of wages above the minimum wage to some employees could not be confirmed. Regarding young labor, two cases of mismanaging employee identification cards were identified. For all five of these major non-conformities, we have confirmed that remedial and corrective actions have been taken, including payment of the shortfall in wages. In addition, as the result of the CSR audits, there were no cases of non-conformities related to forced labor, child labor under the age of 15, or disciplinary actions. To prevent the occurrence of non-conformities, in the fiscal year ended February 28, 2022, we held supplier compliance training for 4,941 people from 3,245 companies to explain examples of non-conformities that are likely to occur (e.g., human rights violations) and to promote respect for human rights and improvement of the working environment.

## CSR Audits of Domestic Factories

Seven & i Holdings has been conducting CSR audits of factories to which we outsource the manufacture of our “Seven Premium” private-brand products in Japan since 2018 to appropriately address issues such as employee work style reform, employment of foreign workers, and global environmental conservation. The number of audits conducted was 50 factories on a trial basis in fiscal 2018, and full-scale audits are being conducted at 327 factories in fiscal 2019, 271 factories in fiscal 2020, and 371 factories in fiscal 2021 (about 30% of the total). As a result of the audits in the fiscal year ended February 28, 2022, some form of non-conformity was confirmed at about 92% of the factories, and corrective measures are being taken. There were no non-conformities related to forced labor, labor by children under the age of 15, discipline, or discrimination and forced labor of foreign workers.

Seven-Eleven Japan commissions a third-party organization to conduct CSR audits of some of its suppliers in Japan based on the same standards as the Seven & i Group CSR audits. This initiative began in fiscal 2016, and in the fiscal year ended February 28, 2022, 48 factories at 44 companies were audited. We will continue to promote CSR by involving the supply chain.

➤ [Number of Factories with Non-conformity Found by Audit Category from FY2018 to FY2020 \(Japan\)](#) 

➤ [Number of Factories Audited by Product Category from FY2018 to FY2020 \(Japan\)](#) 

➤ [Number of Factories with Non-conformity Found by Audit Category from FY2019 to FY2021 \(Japan\)](#) 

➤ [Number of Factories Audited by Product Category from FY2019 to FY2021 \(Japan\)](#) 

## Informing Suppliers of the Seven & i Group Sustainability Action Guidelines

### Distribution and Delivery of the Seven & i Group Business Partner Sustainable Action Guidelines

From June to October 2018, Seven & i Holdings distributed the Seven & i Group Business Partner Action Guidelines to 18,484 companies with confirmed business relationships through the product development staff of each Group company. In December 2019, we revised the guidelines to the Seven & i Group Business Partner Sustainable Action Guidelines, and by June 2020, we had distributed the guidelines to 12,385 companies. In addition, we are holding web briefings to promote understanding of the guidelines. In addition, from fiscal 2020, new suppliers who outsource the manufacture of private brand products in China and Southeast Asia will be required to submit a written pledge to comply with the guidelines, sign a memorandum on CSR, and undergo a CSR audit before commencing business. We communicate these guidelines to all suppliers, including those outside Japan, and confirm their level of understanding in an effort to ensure compliance with the guidelines.

### Holding a Briefing Session on the Seven & i Group's Business Partner Sustainable Action Guidelines and Quality Policy

Seven & i Holdings holds local briefings on the Seven & i Group Business Partner Sustainable Action Guidelines and related policies for suppliers in China and Southeast Asia, where CSR risks are considered to be high, among those to whom we outsource the manufacture of private brand products.

At the briefing, a representative from the Sustainability Development Department of Seven & i Holdings provides explanations accompanied by a local language interpreter.

In fiscal 2018, briefings were held in China, Thailand, Cambodia, and Vietnam at 260 factories in total, with 402 persons at our business partners taking part (94.9% participation rate\*1).

In fiscal 2019, briefings were held in China, Myanmar, Thailand, Cambodia, Vietnam, and Indonesia at 287 factories with 482 persons at our business partners taking part (94.4% participation rate\*1).

In the fiscal year ended February 28, 2021, with the global spread of COVID-19 infections, briefing sessions on the Seven & i Group Business Partner Sustainable Action Guidelines and CSR audits were suspended. Accordingly, starting in June 2020 for our business partners with production facilities overseas we used on-demand distribution to brief on the Guidelines and

encourage their implementation (viewed at 178 companies by 274 persons\*2). Furthermore, along with starting in August 2020 to make materials available for viewing in Chinese and five other Asian languages, we began in October to distribute briefing videos on CSR audits with Chinese narration to business partners located in China (viewed at 66 companies by 79 persons).

In the fiscal year ended February 28, 2022, we conducted briefing sessions about the Seven & i Group Business Partner Sustainable Action Guidelines and CSR audits via live and on-demand internet broadcasts (viewed at 517 companies by 1,071 persons\*2). We also presented particularly conscientious business partners with certificates of commendation and trophies to help their improvement efforts and stir interest.

\*1 Percentage of factories participating in briefings among those subject to CSR audits (overseas)

\*2 Reference values taken from access logs online briefings



Briefing Sessions on the Seven & i Group Business Partner Sustainable Action Guidelines and CSR Audits

## Conducting Compliance Training for Suppliers

Seven & i Holdings holds compliance training for its suppliers who manufacture private brand products on consignment in China and Southeast Asia, where CSR risks are high, with the aim of raising awareness of human rights, labor environment, and global environmental conservation, as well as promoting understanding of and thorough compliance with relevant basic laws and regulations. In this training, we familiarize our suppliers with the Seven & i Business Partner Sustainable Action Guidelines, ILO International Labour Conventions, ISO 26000, occupational safety laws and regulations of various countries, equipment management, and chemical management, and hold consultations on corrective measures based on the results of CSR audits. In 2020, due to the impact of the novel coronavirus infection (COVID-19), we are holding online video training via on-demand delivery. For the management and preparation of the training, we ask TÜV Rheinland Japan Ltd., which handles CSR audits, to conduct the training.

#### Compliance Training for Suppliers in FY2021 (as of February 28, 2022)

\*1 All events were held in a live online format with recording.

\*2 The number of participants and companies are extracted from the access status of the online live webcast.

Month	Country	No. of Participants	No. of Participating Companies
April 2021	China (Twice)	204	71
April 2021	Japan	423	274
May 2021	Thailand	70	44
May 2021	China (Twice)	131	110
May 2021	Vietnam	35	32
June 2021	Japan (Twice)	1,120	830
June 2021	China	123	102
June 2021	Thailand	45	33
June 2021	Vietnam	28	24
July 2021	Japan (Twice)	474	363
July 2021	Thailand	33	25
August 2021	Japan	382	175
September 2021	Japan	121	88
October 2021	Japan (Twice)	377	252

#### Compliance Training for Suppliers in FY2020 (as of February 28, 2021)

\*1 All events were held in a live online format with recording.

\*2 The number of participants and companies are extracted from the access status of the online live webcast.

Month	Country	No. of Participants	No. of Participating Companies
June 2020	Japan	274	178
October 2020	China	79	66
January 2021	China (Twice)	304	215
February 2021	Japan	213	145

#### Compliance Training for Suppliers Conducted by Fiscal Year

\* All events in FY2021 and FY2020 were held in a live online format with recording.

\* For FY2021 and FY2020 The number of participants and companies are extracted from the access status of the online live webcast.

	FY 2018	FY 2019	FY 2020*	FY 2021*
No. of times	7	20	5	19
No. of participating companies	171	485	604	2,423
No. of participants	244	768	870	3,566

## In-House: Compliance Training

Seven & i Group holds meetings attended by the managers and staff of the departments in charge of product development and procurement at each Group company to report on the results of CSR audits and hold study sessions on the audits. At the study sessions, we invite the head of auditing at TÜV Rheinland Japan Ltd., which conducts CSR audits, to explain the latest information and laws and regulations in the countries and regions where our contract manufacturers' factories are located, using specific examples.

### Compliance Training (In-House) in FY2021 (as of February 28, 2022)

Month	Contents	No. of Participants
April 2021	Seven & i Group Business Partner Sustainable Action Guidelines (1st)	305
May 2021	Operation of 7&i CSR Audit	118
July 2021	Seven & i Group Business Partner Sustainable Action Guidelines (e-learning)	1,498
August 2021	Seven & i Group Business Partner Sustainable Action Guidelines (2nd)	11
October 2021	Seven & i Group Business Partner Sustainable Action Guidelines (3rd)	125
November 2021	Seven & i Group Business Partner Sustainable Action Guidelines (4th)	35

### Compliance Training (In-House) in FY2020 (as of February 28, 2021)

Month	Contents	No. of Participants
June 2020	Study Session for Seven & i Group Business Partner Sustainable Action Guidelines/7&i CSR Audit	138
July 2020	Study Session for Seven & i Group Business Partner Sustainable Action Guidelines/7&i CSR Audit	89
July 2020	Supply Chain Subcommittee (Executives of 28 Group operating companies) <ul style="list-style-type: none"> <li>Outline of the results of CSR audit for the first quarter of FY2020</li> <li>Response plan for FY2020</li> </ul>	62
October 2020	Supply Chain Subcommittee (Executives of 28 Group operating companies) <ul style="list-style-type: none"> <li>Outline of the results of CSR audit for the second quarter of FY2020</li> <li>Response preparation for FY2020</li> </ul>	69
January 2021	Supply Chain Subcommittee (Executives of 28 Group operating companies) <ul style="list-style-type: none"> <li>Outline of the results of CSR audit for the third quarter of FY2020</li> <li>Plans for FY2021</li> </ul>	60

### Compliance Training (in-House) by FY2021 (as of the end of June)

	FY 2019	FY 2020	FY 2021
No. of Times	7	5	6
No. of Participants	380	418	2,090

## Collaboration with Human Rights and Economy-related Organizations

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Seven & i Holdings is making efforts to collect and disseminate information on supply chain management in cooperation with human rights and economic related organizations. We are a member of the Global Compact Network Japan (GCNJ) and the Council for Better Corporate Citizenship (CBCC), both of which are external organizations. We also participate as an advisory group company in the "JAPAN PLATFORM FOR MIGRANT WORKERS TOWARDS RESPONSIBLE AND INCLUSIVE SOCIETY," a joint secretariat of the Japan International Cooperation Agency (JICA) and The Global Alliance for Sustainable Supply Chains (ASSC). We aim to achieve a multicultural society by protecting the human rights of foreign workers, in our operation, as well as those in the supply chain, promoting the development of appropriate working and living environments, and realizing decent work for foreign workers. Furthermore, as part of these efforts, we are participating in the Foreign Worker Consultation and Relief Pilot Project, which was launched in May 2022 by the Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP MIRAI).

### Main Activities:

- September 2019: Global Compact Network Japan

At GCNJ's Basic Seminar, we explained our Business Partner Action Guidelines and CSR audits.

- November 2019: OECD Advisory Board of Japan Business Federation and Corporate Behavior/ SDGs Committee, BIAC Japan representative

We participated in and gathered information from "Toward the Realization of a Sustainable Supply Chain in Asia: Promotion of International Cooperation for Responsible Corporate Behavior," which was jointly sponsored by the OECD, EU, Japanese government, and ILO.

- January 2020: Public interest incorporated association Council for Better Corporate Citizenship (CBCC)

We shared information at "Round-table Conference on Issues for Promoting CSR in the Supply Chain" held by CBCC.

- October 2020: Our Director and Managing Executive Officer participated in a panel discussion on "Corporate Management from the Perspective of Life and People" at the GCNJ Symposium 2020 as a panelist.

➤ [Click here for the "JAPAN PLATFORM FOR MIGRANT WORKERS TOWARDS RESPONSIBLE AND INCLUSIVE SOCIETY"](#) 

➤ [Click here for "Corporate Management from the Perspective of Life and People" at the GCNJ Symposium 2020 \(Japanese\)](#)



## Information Disclosure

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Seven & i Holdings is committed to timely and appropriate information disclosure to all stakeholders, including customers, suppliers, and investors, in order to build a sound supply chain. By actively disclosing information on the results of CSR audits and issues in the supply chain, we are able to provide safer and more secure products to our customers.

## Relief Measure/Remedies

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Seven & i Holdings has established a reporting contact point (Helpline) for suppliers and stakeholders working in the supply chain. If human rights violations are found through CSR audits or reporting, remedial measures are taken after conducting an appropriate investigation.

### Business Partner Helpline

The Business Partner Helpline is available to directors, employees, and former employees of our suppliers. The system is introduced at briefings for suppliers, and leaflets are distributed to promote awareness.

## Material Issue 7 Achieve a sustainable society through partnerships

### Expanding the Role as a Form of Social Infrastructure

Seven & i Group works in collaboration with local governments to provide public services to support persons experiencing inconvenience in daily life by reductions in local government offices, banking services, and retail stores.



### Promoting Alliances with Municipalities

Seven & i Group is promoting regional revitalization by concluding comprehensive alliance agreements with local governments in a wide range of fields, including local production for local consumption, senior support, health promotion, and environmental protection. Moreover, we are also moving ahead on concluding “watch over agreements” with local governments to look out for elderly people and so on during regular store operating hours, or through delivery services and collaborating with local governments to respond if irregularities are detected, as well as to train Dementia Supporters, and take other measures. In other developments, we have also concluded “supply-support agreements” to prepare for rapid regional support in the event of disasters, and we are also promoting “agreements for supporting people who cannot return home after a disaster” where we provide tap water, access to restrooms, and local information wherever possible.

#### Number of comprehensive alliance agreements with local governments (by operating company)

	As of the end of February 29, 2020	As of the end of February 28, 2021	As of the end of February 28, 2022
Seven-Eleven Japan	140	184	223
Ito-Yokado	56	56	79
York-Benimaru	10	10	11
York Mart	4	4	4
Sogo & Seibu	13	12	12
Seven & i Food Systems	3	3	3
<b>Total</b>	<b>270</b>	<b>279</b>	<b>332</b>

> [For information regarding support during disasters](#)

## Retail of Products which Contribute to Regional Revitalization

Seven & i Group makes use of comprehensive alliance agreements to promote various regional revitalization initiatives with respective local governments. For example, Seven-Eleven Japan recognizes the importance of local flavors and food cultures by developing products that use local ingredients. Ito-Yokado, Sogo & Seibu, York-Benimaru, and other Group companies are helping to promote the appeal of local areas by retailing regional products and proposals for menus using local products and ingredients. In addition, at two stores in Chiba Prefecture's Yachiyo City, York participated in the Yachipan Project—an event for producing and selling bread based on ideas from local high school students carried out as part of the initiatives with local governments—and sold two types of bread.



"Pescatore made with firefly squid from Toyama Bay"  
(Seven-Eleven Japan)



"Celebrate! 10th Anniversary of Industry-Academia-Government  
Collaboration Selected Well-Balanced Lunchbox"  
supervised by Aomori Chuo Junior College (Ito-Yokado)



"Chiba University Jam"  
made by students from fruits grown for agricultural research (Sogo  
& Seibu)



Bread conceived and realized by high school students  
from Yachio City, Chiba Prefecture "Yachipan Project"  
(York)

## Establishment of Polling Stations in Stores

Ito-Yokado and Sogo & Seibu provide facilities within stores to be used free of charge for use as polling booths in cooperation with local governments. Local governments seek to increase the voting rate due to the reduction in number of polling booths and decline in voting rate due to the merger of municipalities, in addition to the enactment of the revised Public Offices Election Act, which lowered the voting age to 18. The booths are used to provide easy access to voters while they are shopping. During the fiscal year ended February 28, 2022, this was rolled out at 21 Ito-Yokado stores and 4 Sogo & Seibu stores. It was publicized at stores via poster displays and in-store announcements, as well as printouts on receipts. In addition, considering the spread of COVID-19, we worked to prevent infection liaising with the secretariats of respective election administration commissions to provide thorough disinfection of pencils and voting podiums, as well as ensuring sufficient distances were maintained between lines.



A polling booth set up in an Ito-Yokado store

## Services also Available on Public Holidays and Night-times

In recent years, households in which both spouses work for a living have increased, and an increasing number of people have difficulty completing payments of utility bills at financial institutions and procedures at government offices on weekdays. In 1987, Seven-Eleven Japan thus initiated a service for 24-hour payment of utility bills at store registers irrespective of the business hours of banks. Since then, in addition to utilities bills, we have expanded this service to processing NHK license fees, national pension scheme and all types of tax payments, as well as catering to administrative services and insurance enrollment using multifunctional copiers.

### Government Services (Issuance of Various Certificates)

7-Eleven stores, in an agreement with 946 municipalities (as of the end of May 2022), offer a service for issuing copies of residence certificates and seal registration certificates using in-store multifunctional copiers. This service is currently being expanded, including support for the issuance of family register certificates for 611 municipalities as well as tax certificates for 676 (Individual Number Cards are required to use the service). In February 2022, Seven-Eleven Japan also launched a service that allows users to initialize and reset the signature password for their Individual Number Card. These services for Individual Number Card holders are easily operable and can be used even late at night and on holidays, simply by waving the Individual Number Card over a scanner. Private information is given high security protection by a sophisticated dedicated network and special printing prevents forgery and manipulation.

## Insurance Enrollment and Premium Payment Service

7-Eleven became the first in the industry to offer motorcycle and bicycle insurance enrollment and insurance premium payment services where customers can enroll in insurance 24 hours a day by entering the necessary personal information on the multifunctional copier screen in store and paying their premium at the register. (The service is for motor scooters and motorcycles with an engine displacement of 250 cc or less, which do not require a motor vehicle inspection.) "1 DAY Insurance" providing automotive insurance coverage in one-day increments has been available at all 7-Eleven stores since September 2015, and "1 DAY Leisure Insurance" that provides necessary accident coverage when needed has been available since April 2018. In addition, starting from June 2020, cancer insurance is being sold at all 7-Eleven stores. Furthermore, with the exception of cancer insurance, from September 2021, after applying for insurance online, it is now possible to pay insurance premiums directly at the cash register without going through a multifunctional copier.



Multifunctional copiers can copy print, issue various types of certificates, and even issue insurance policies

## Bicycle Sharing

Seven-Eleven Japan is promoting the use of bicycle parking spaces on store grounds as sites for renting and returning shared bicycles and will be expanding the areas in stages. As of the end of February 2022, Seven-Eleven Japan has installed a total of 3,735 units at 562 stores. This program was launched at Ito-Yokado from June 2018, and at Denny's restaurants from September 2018. The total number of shared bicycles installed at Ito-Yokado was 178 units as of the end of February 2022.

Bicycle sharing allows for bicycles to be rented from any of multiple stations within a certain region. After use, a bicycle need not be returned to the original location and can be returned to the station closest to the user's destination. Bicycle sharing is expected to supplement public transportation in areas that lack adequate transportation and can play an important role as infrastructure.



A store with a bicycle sharing site

## Disaster Assistance

Seven & i Holdings strives to quickly reopen its stores and 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

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. 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 Group companies have been promoting the conclusion of agreements on assistance with relief provisions and support for evacuees during disasters with local governments, under which they provide 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 events to learn disaster prevention and so forth in a bid to raise customer awareness of disasters.

### Cooperation with Local Government During Disasters

Seven-Eleven Japan 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.



Disaster Support Station sticker

### Providing Means of Communication in Emergencies

Seven-Eleven Japan 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

## 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\* system for providing, sharing, and utilizing disaster information more broadly. "7VIEW" is a system that displays the status of stores and distribution bases in disaster areas on a cloud map so that related divisions can grasp the situation. In addition to existing functions such as a hazard map, a disaster-related SNS display, and a weather forecast, we will enhance cooperation with the national government and research institutes and continue to evolve so that we may further contribute to rapid recovery from disasters. Due to the vital nature of initial responses when disasters occur, from the fiscal year ended February 28, 2022, we developed an app capable of reflecting disaster statuses or requests to Head Office input by franchise stores in real time on 7VIEW. This allows us to ensure that we are able to establish the statuses of stores in disaster areas more precisely, and we have thereby established the mechanisms to visualize the disaster statuses of, and requests from, all 7-Eleven stores.

※Visual-Information-Emergency-Web



7VIEW screen

### Features of 7VIEW

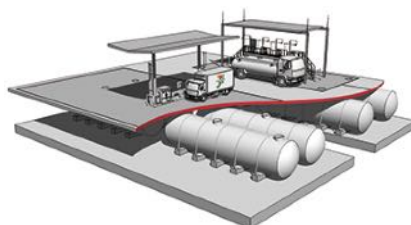
1. Reflects various information on disaster areas on a map
2. Allows Head Office to establish current statuses in real time
3. Facilitates more exacting initial responses
4. Linked with associated app

> [For more details on 7VIEW \(in Japanese\)](#)

## 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 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 the Group stores and establishments in the Tokyo metropolitan area.



Fuel for vehicles is stored in underground tanks

# Disaster Reconstruction Support

The Great East Japan Earthquake of March 2011 inflicted enormous damage on Tohoku and surrounding regions. 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

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 region 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.

Procuring and selling local products from disaster-affected regions helps revitalize the agriculture and fishing industries. In addition, to keep affected regions fresh in everyone's minds, in March 2021, sales events was held for products from affected partner companies in Tohoku region and the products of major food manufacturers at Ito-Yokado (126 stores.)

### Tohoku Kakehashi Project

	Launch	No. of co-sponsors and participating companies	No. of items
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, 2013	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
20th Round	October 15, 2018	270 Companies	Approx. 2,300
21th Round	March 5, 2019	270 Companies	Approx. 2,300
22th Round	October 14, 2019	270 Companies	Approx. 2,300
23th Round	March 2, 2020	270 Companies	Approx. 2,700
24th Round	March 8, 2021	270 Companies	Approx. 2,700



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

## Supporting PEP Kids Koriyama

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York-Benimaru supports 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. Celebrating its 10th anniversary in December 2021, it aims to further evolve as a playground that contributes to the vitality of the community.



PEP Kids Koriyama

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

# Social Contribution Activities

Seven & i Group fulfills its responsibilities as a member of many local communities by fostering coordination and cooperation with each community. At the same time, the Group supports society overall by contributing to community development and the creation of prosperous living environments through its businesses, in conjunction with making appropriate donations in consideration of the benefits to society and the general public.

In social contribution activities, the Sustainability Development Department promotes activities in coordination with relevant departments in each Group company under the leadership of the Director and Managing Executive Officer Head of Corporate Development Division of Seven & i Holdings.



## Effect Measurement Method

Seven & i Holdings seeks to mitigate the environmental impact associated with its business activities and to contribute to making a better society through those activities. When selecting external partners for activities, we always ensure that they have a philosophy that is compatible with our own, and that they have sufficient specialist expertise.

We measure the effect of our social contribution activities based on four perspectives. Moreover, we plan to revise our measurement methods in the future to enable an even more accurate measurement of the inputs for an activity, the respective outputs for the Company and society after the activity, and the final impacts on the Company and society, respectively.

Effect Measurement Method	Detail
<b>1. Verification of the Social Contribution Activity Cost Over One Year</b>	The activity cost is verified by type and format of activity.
<b>2. Verification with KPIs</b>	<p>The effect of the initiatives is measured numerically by using our established key performance indicators (KPIs). For example, we conduct "shopping support" services to assist seniors (Online convenience store / supermarket, mobile store service, etc.) and the effect of these activities is verified by using the number of stores involved, the number of operational vehicles, the amount of sales, and other metrics as KPIs. In addition to these numbers, we also reflect feedback from service users in our planning for the following fiscal year.</p> <p><a href="#">Further details about shopping support can be found here &gt;</a></p>
<b>3. Dialogue with Organizations We Support</b>	We confirm the results of activities reported by NPOs and other organizations to which we give financial assistance. We verify the effects of activities based on reported information such as the number of beneficiaries and the positive impact on them, as well as direct feedback obtained through dialogue with the assisted organizations. We also refer to these reports and feedback when deciding on the next round of recipients and projects that we will assist.

Effect Measurement Method	Detail
<b>4. Survey of Employees Who Participate in Activities</b>	We conduct questionnaire surveys of employees who participated as volunteers in activities we have planned, asking them about their level of satisfaction with the activity and points for improvement. The results are used to measure the effect of the activity and in planning our next activities.
<b>5. Survey of Employees Overall</b>	<p>Every year we conduct an Employee Engagement Survey of a sample of employees from 34 Group companies. (Certain companies conduct sampling surveys.) Through the results of the survey, we confirm employees' awareness of their own companies. The results are used in our verification of the activities, and we formulate plans for the next year.</p> <ul style="list-style-type: none"> <li>• Sample question: I believe my company: <ul style="list-style-type: none"> <li>— Builds good relationships with local communities.</li> <li>— Conducts environmentally friendly business activities.</li> <li>— Is actively engaged in social contribution activities.</li> </ul> </li> </ul> <p><a href="#">Further details about the Employee Engagement Survey can be found here &gt;</a></p>

## Encouraging Employee Participation in Social Contribution Activities

Seven & i Holdings believes that employee participation in social contribution activities is also crucial. Based on this belief, we plan and implement activities such as opportunities to experience nature and disaster reconstruction support programs. Moreover, to encourage employee participation in volunteer activities, Seven-Eleven Japan, Ito-Yokado, York, Seven & i Food Systems, and Seven Bank have instituted a volunteer leave system under which employees can take five days off per year for volunteer work. At Ito-Yokado, part-time workers may also take volunteer leave. In the fiscal year ended February 28, 2022, 10 employees in the Group took volunteer leave.

## Placing Donation Boxes

In March 2016, Ito-Yokado commenced activities to encourage customers and employees to donate funds throughout the year by placing collection boxes next to almost all of its POS registers nationwide. This fund collection drive is the first of its kind to be held at a superstore chain throughout the year and is being undertaken to help solve various social issues on a revolving basis every three months. In addition, since June 2020 we have been collecting donations over the internet through the Seven & i Group's Seven Mile Program. Through these fund collection drives, we raised ¥21,685,277 in donations from our customers and employees in the fiscal year ended February 28, 2022.

Furthermore, the "Thanks Blooming" initiative—launched in the fiscal year ended February 28, 2022 as part of our efforts to improve employee engagement—for collecting donations from employees by allowing them to exchange "Thanks Blooming" points as a way of saying "thank you" to their colleagues raised a total of ¥298,564. Ever since we began collecting donations at our stores in 2016, these three initiatives have raised a total of ¥207,404,982.

## Fund Collection Results for the Fiscal Year Ended February 28, 2022 (Ito-Yokado)

(Yen)

Implementation Period	Days	Fund Detail	Amount
March 1 to May 31	92	Fund to Support Children's Futures	4,848,182
June 1 to August 15	76	Donation for the National Federation of All Japan Guide Dog Training Institutions	6,158,660
July 7 to August 1, August 16 to August 31	42	Donation for disaster relief due to heavy rain	1,960,266
September 1 to November 30	91	Support for children in foreign countries	5,193,679
December 1 to February 28	90	The Nippon Foundation	6,073,720

## Support for Training Guide Dogs

Seven & i Group companies support the training of guide dogs for the visually-impaired and collect donations for this purpose at Ito-Yokado, Sogo & Seibu, and York stores.

Sogo & Seibu has placed dog-shaped donation boxes at all stores permanently to encourage customers to support guide dog training activities. In addition to in-store donations collected from customers, Sogo & Seibu makes donations collected through the "Woof! Coin Club," which accepts monthly voluntary donations by employees, and the Sogo & Seibu Fund set up by the company and its labor union (cumulative donations from March 2003 to the end of February 2022 were ¥699,289,594). Besides fund collection activities, Sogo & Seibu also conducts awareness-raising activities for customers. Each Sogo & Seibu store conducts events to improve public understanding toward people with visual impairments and their guide dogs.

Ito-Yokado began making donations to the National Federation of All Japan Guide Dog Training Institutions in 1991 to support the training of guide dogs, and celebrated its 30th anniversary in 2021. From 1991 to 2021, a cumulative total of ¥93,281,965 has been donated.

## Social Contribution Activities through Donation of Products

Since August 2017, Seven-Eleven Japan has been donating a portion from product inventories—except fresh foods and products requiring permits such as alcohol, cigarettes, and stamps—that arise during store renovations to Second Harvest Japan, a foodbank organization.

In addition, Seven-Eleven Japan signed a three-party agreement with Yokohama City and the Yokohama City Council of Social Welfare in April 2018 and began a similar initiative. The donated products are distributed to organization and facilities that support people such as seniors, persons with disabilities, children, and the needy, leading to the promotion of social welfare and reduction of food waste.



Social contribution through donation of food

## Donating Shoes to Children in Zambia

Sogo & Seibu works with the Japanese Organization for International Cooperation in Family Planning (JOICFP)\* on a project for sending pairs of shoes to children in Zambia. The company has established areas to accept children's shoes donations in all of its stores. The shoes they receive from customers help to prevent tetanus and parasitic infections resulting from foot injuries to children with bare feet. They are sent through JOICFP to children in Zambia. As of the end of February 2022, Sogo & Seibu had sent about 1,070,702 pairs of shoes since 2009.

\* JOICFP is an NGO working for international cooperation that was started in Japan to protect the health and lives of women and children in the developing world.



Children in Zambia choosing from the donated shoes

[Further details about the Sogo & Seibu children's shoes donations can be found here](#)

## Cooperation with White Ribbon Campaign

Akachan Honpo and Sogo & Seibu have been providing sponsorship for the White Ribbon Campaign launched by JOICFP to protect the lives and health of pregnant women and babies throughout the world. These companies have been working on the Community Safe Motherhood Project (which involves the donation of funds to establish Maternity Waiting Houses in Zambia). Besides accepting donations on behalf of JOICFP through its stores and online, the two companies have also installed 45 White Ribbon Campaign Vending Machines at inside and outside of stores (Akachan Honpo 35 machines, Sogo & Seibu 10 machines) as of the end of February 2022. For every beverage purchased from one of these machines, the companies donate ¥2 to JOICFP (¥1 from the beverage manufacturer and ¥1 from the store where the machine is installed). In addition, Sogo & Seibu has created a White Ribbon pin badge for sale, from which all proceeds are donated to the White Ribbon Campaign.



White Ribbon beverage vending machine



White Ribbon pin badge, 2021

## Social Contribution Activities Costs (Fiscal Year Ended February 28, 2022)

The social contribution activities provided by Seven & i Group in the fiscal year ended February 28, 2022, including the provision of financial assistance or the donation of goods, and the personnel costs of employees involved in these activities, amounted to a total of ¥1.5929 billion when converted into monetary terms. Of this total, cash donations were approximately ¥0.33 billion.

### Social contribution activities costs in the fiscal year ended February 28, 2022

(Thousands of yen)

Category	Amount
Administration cost	983,751
Cash donations	333,428
Donation of goods	251,408
Costs for using the Group company's facilities	21,600
Personnel costs of employees participating in activities during work hours	2,721
<b>Total</b>	<b>1,592,907</b>

Social contribution activities cost  
in the fiscal year ended February 28, 2022



\* The total accounts for the cost of Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, and Seven Bank (The sales of the nine companies account for 96% of the Group's sales in Japan.) Calculated based on Fiscal 2011 Key Points Regarding the Implementation of Social Contribution Activity Surveys by Japan Business Federation, "Keidanren." However, political contributions are excluded.

# Overseas Initiatives

## Business Operations in North America

Seven & i Holdings operates convenience stores in North America.



**7-Eleven, Inc.** >

Net sales: ¥6,463,000 million (Total store sales)  
Number of stores: 13,213



**SEVEN-ELEVEN HAWAII, INC.** >

Net sales: ¥39,985 million  
Number of stores: 65

\* Exchange rate USD1 = ¥109.90  
\* Net sales and number of stores as of December 31, 2021

## Initiatives in China

Seven & i Holdings operates convenience stores and superstores in China.

### Convenience Store Business >



**SEVEN-ELEVEN (BEIJING)**

Net sales: ¥22,331 million  
Number of stores: 304  
Established: January 2004



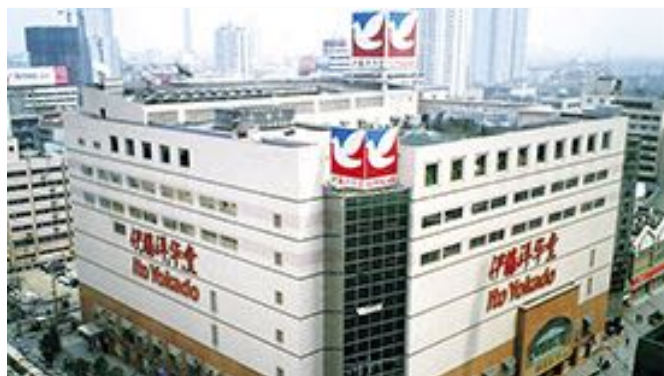
**SEVEN-ELEVEN (TIANJIN)**

Net sales: ¥3,405 million  
Number of stores: 200  
Established: November 2012



**SEVEN-ELEVEN (CHENGDU)**

Net sales: ¥3,733 million  
Number of stores: 84  
Established: December 2010



**Chengdu Ito-Yokado Co., Ltd.**

Net sales: ¥71,250 million

Number of stores: 10

Established: December 1996



**Hua Tang Yokado Commercial Co., Ltd.**

Net sales: ¥5,439 million

Number of stores: 1

Established: September 1997

\* Exchange rate of CNY1 = ¥17.04

\* Net sales does not include value added tax

\* Net sales and number of stores as of December 31, 2021

# 7-Eleven, Inc.

## Reducing Environmental Impact

7-Eleven, Inc. (SEI), our push to reduce the impact on the planet without compromising customer needs, quality or safety is a key driver of our innovation. The company's programs to help make electric vehicle (EV) charging more convenient, reduce plastic usage and packaging material waste, reduce CO<sub>2</sub> emissions from stores and ensure the procurement of sustainably sourced food ingredients make it easier for customers to do good simply by shopping with us.

### 【Environmental Goal】

Reduce CO<sub>2</sub> emissions from stores by 50% by 2030 (FY2013 baseline)



## Collaboration with External Organizations

To enhance our role as a positive steward of the environment, SEI is a member of the Retail Industry Leaders Association's Retail Sustainability Initiative (RSI). RSI is an industrywide educational forum for the largest U.S. retailers. It brings its members together to share leading practices, identify future trends, benchmark with peers, and collaborate on common industry environmental social governance challenges. Beginning in 2021, SEI joined the Clean Energy Buyers Alliance (CEBA). CEBA is a membership association bringing together over 200 stakeholders from the commercial and industrial sector, nonprofit organizations, and energy and energy-service providers. Their vision and mission is to create a resilient, zero-carbon energy system where every organization has a viable, expedient, and cost-effective pathway to renewable energy.

## Promoting Energy Conservation and Reducing CO<sub>2</sub>e Emissions

SEI is committed to reducing energy consumption and improving efficiency and set a goal to reduce energy related CO<sub>2</sub>e emissions from stores by 50% by 2030, compared with FY2013 levels. In FY2021, through its emission reduction measures, SEI reduced its CO<sub>2</sub>e emissions by 147,600 MTCO<sub>2</sub>e year over year from FY2020 and by 375,300 MTCO<sub>2</sub>e from FY2013. SEI reduced CO<sub>2</sub>e emissions by 27% from FY2013 to FY2021. This is equivalent to greenhouse gas emissions from approximately 80,000 passenger vehicles for one year.

## Use of Low Global Warming Potential Refrigerant

SEI has adopted Honeywell Solstice N40 (R-448A) refrigerant as SEI's standard for remote condensers supporting their refrigeration cases installed across the U.S. and Canada. Solstice N40 is the most widely accepted, lowest global warming potential (GWP), nonflammable replacement for R-404A in stores globally. Based on hydrofluoroolefin (HFO) technology, Solstice N40 offers GWP that is approximately 60% lower than legacy HFC refrigerants like R-404A. In addition, Solstice N40 also consumes less energy. In the U.S. and European supermarket trials, in comparison to R-404A, Solstice N40 demonstrated an average of 5% lower energy consumption in low-temperature applications.

## LED Lighting

SEI's LED lighting program is part of the company's energy-efficient store design standard and is a significant contributor to the company's CO<sub>2</sub> reduction goal. As of December 2021, more than 7,700 stores featured LED lighting, helping to reduce energy consumption in stores. In addition to their energy-efficient benefits, LED lights eliminate the use of hazardous materials, comply with local regulations to reduce light pollution, support store safety measures and enhance the customer shopping experience.

## Heating Ventilation and Air Conditioning(HVAC)

Heating and cooling efficiency is another effective measure SEI implements to decrease its overall energy consumption. Since 2008, more than 10,800 high efficiency HVAC units have been installed, enabling stores to achieve energy savings while maintaining a quality shopping environment.

## Energy Management Systems (EMS)

SEI implemented energy management systems (EMS) in stores to monitor, control, and optimize performance of HVAC and refrigeration equipment. Currently, more than 6,900 stores have EMS installed — combining with the installation of energy-efficient HVAC units contributes to achieving energy savings. To reduce water consumption, we're installing low-flow aerator faucets as part of our standard energy-efficient design plan for all new stores.

## Expanding Renewable Energy

While maintaining the company's commitment to energy conservation projects, SEI is also focused on expanding its renewable energy initiative. Approximately 21% of electricity consumed by SEI is from renewable sources.

SEI has an agreement with TXU Energy to purchase 100 percent Texas wind energy for all its Texas stores located in competitive energy markets. With more than 10,000 wind turbines in the state, Texas ranks first in the United States for both installed and under-construction wind capacity and is home to four of the top 10 largest wind farms in the nation. In FY2021, SEI purchased more than 318,000 MWh renewable energy from TXU Energy and provided it to more than 860 stores in Texas. This wind energy program accounted for 47% of all 2021 renewable energy while providing significant operating expense savings.

In FY2020 SEI subscribed to a program to procure renewable energy for its Florida stores by utilizing large-sized solar power generation facilities developed, or currently under development, by two utility companies. (Florida Power and Light and Duke Energy). The FY2021 solar energy from these agreements yielded 92,800 MWh or 13.5% of all renewable energy consumed by SEI.

Additionally, in FY2021 the company entered into agreements for over 60,000 MWh of off-site wind energy in Illinois as well as community solar projects in Oregon which are expected to provide an additional 2,500 MWh of renewable energy in 2022.



Wind turbines in Texas



Large-sized solar power generation facility in Florida



Red Prairie Community Solar project in Oregon

## What is Community Solar?

Utility sponsored community solar is different from on-site solar where solar panels are installed directly on houses/buildings to generate power. It refers to local solar facilities developed and owned by the utility which are shared by multiple community subscribers who receive credit on their electricity bills for their share of the power produced.

## Procuring Renewable Energy from a Pumped Hydro Storage Facility

In FY2020, SEI began procuring renewable energy from a pumped hydro storage facility for its stores in Virginia. The amount purchased in FY2021 was 30,900 MWh and powered the load for more than 140 stores.

## Electric Vehicle Charging Stations

SEI has always innovated to make things easier for customers, and that includes giving customers alternative fuel options. In 2021, the company announced its ambition to build at least 500 electric vehicle (EV) ports – compatible with multiple vehicle models – at 250 select U.S. and Canada stores. With more than 31 ports installed at 17 stores thus far, there have been 2,800 customer charging sessions in 2021 with ~160,000 electric miles charged. While the industry-wide supply chain issues of 2021 added additional headwinds, new and expanded teams are now in place to accelerate installation plans and progress is expected to pick up in 2022 across Texas, Florida and the Pacific Northwest.



Electric-vehicle (EV) charging stations

## Conserving a Natural Resource

SEI understands that efficient use of water helps reduce the demands on our water supply and preserve an essential natural resource. To reduce water consumption, SEI utilizes low-flow aerator faucets as part of our standard energy-efficient design plan for all new stores.

### Environmental Data Associated with Store Operations

	FY2018	FY2019	FY2020	FY2021 <sup>*4</sup>
<b>Number of stores within scope <sup>*1</sup></b>	9,389	9,149	9,387	13,043
<b>GHG emissions <sup>*2</sup> (market-based) (1,000 t-CO<sub>2</sub>e)</b>	961	819	759	1,002
<b>CO<sub>2</sub> emissions <sup>*2,3</sup> (market-based) (1,000 t-CO<sub>2</sub>)</b>	959	817	755	997
<b>Electricity consumption <sup>*2</sup> (GWh)</b>	2,383	2,306	2,306	3,213
<b>Water usage <sup>*2</sup> (1,000 m<sup>3</sup>)</b>	11,365	10,892	10,637	10,544

\*1 Number of stores covered within scope of CO<sub>2</sub> verification (excluding stores operated by domestic licensees of 7-Eleven, Inc.)

\*2 Calculations are based on estimated electricity consumption for stores where data was not available.

\*3 Verified by a third party

\*4 Includes Speedway stores

➤ [Third-Party Verification Report](#) 

## Eco-friendly Packaging

SEI continually looks for ways to improve product packaging by using eco-friendly materials, reducing content, and decreasing the use of plastic whenever possible. Many of our eco-friendly packaging solutions include renewable or recycled content or are derived from sustainable resources. We work hard to reduce packaging materials whenever possible without compromising product quality or safety. Our goal is to shift to eco-friendly packaging for 50% of Private Brand products by 2030.



### [Packaging Goal]

Shift to eco-friendly packaging for 50% of Private Brand products by 2030

Through its proprietary products, SEI seeks to offer premium products at a value while switching to more environmentally friendly packaging. These packaging solutions include using materials that are made from renewable or recycled content or are compostable or recyclable. Materials include post-consumer or post-industrial recycled or plant-based content. Whenever possible, SEI reduces packaging without compromising product quality or safety.

### Innovating with Plant-Based Plastic

SEI introduced a new, plant-based fountain straw, for cold dispensed beverages. The new straw material is derived from raw materials such as corn and may avoid up to 1 million pounds of petroleum-based plastic per year.



Poly-lactic acid (PLA) straws

### Reducing Virgin-Plastic in Bags

SEI's plastic bag made from 40% post-consumer recycled plastic was recently rolled out nationally in the U.S. Using 40% recycled plastic content helps reduce SEI's environmental footprint by reducing the consumption of raw materials, energy consumption and carbon emissions in processing, and the amount of consumer waste and plastic going into landfills. By switching to the 40% recycled plastic bag, SEI avoided approximately 500 tons of virgin plastic use per year.

Several markets in the U.S. and all markets in British Columbia have transitioned to paper carryout bags and eliminated single-use plastic bags entirely.



A plastic bag using 40% recycled plastic

## Increasing Post-Consumer Recycled Content

Furthering its efforts to use recycled material, SEI redesigned its fruit and salad containers to increase the use of Post-Consumer Recycled (PCR) plastic. Both packages now contain 15% PCR. Using PCR packaging materials reduces waste and carbon emissions as compared to using virgin plastics.

In Canada, all sandwich packaging now uses recycled Canadian plastic in place of virgin plastic. SEI will continue to evaluate additional opportunities to increase PCR in packaging.



Sandwich packaging (Canada)

## Eliminating Plastic

Seeking continuous improvements in packaging led to additional progress in eliminating or reducing plastic. SEI created a new, lighter-weight fountain cup that uses less plastic. The change may avoid up to 1.1 million pounds of virgin plastic annually. SEI also replaced its fresh food platter base with a lightweight paper corrugate alternative. In addition, the plastic lid for the platter was reduced in size.



New lighter-weight fountain cups

## Reducing Packaging Materials

SEI switched its hot dog box from kraft paperboard to thermo-mechanical pulp (TMP) board to reduce the volume of paper used. TMP-based paper can be produced using only 50% of the wood content of traditional kraft pulp paper. SEI replaced large plastic chicken wing box with paper corrugate alternative, eliminating up to 437,000 pounds of plastic annually. The new paper alternative is certified by the Sustainable Forestry Initiative. In Canada, multiple food packaging replacements (hot dog, pizza, chicken burger & cookie boxes) have prevented more than 8 million hard-to-recycle black plastic boxes from the waste stream each year.



TMP-based paper package

## Removing Harmful Materials

Perfluoroalkyl and polyfluoroalkyl substances (PFAS) are fluorine coatings applied to packaging surfaces to prevent moisture or grease from leaking through and are now considered harmful to the environment. SEI proactively began replacing affected packaging with alternatives like molded fiber clamshells.

## Sustainably-sourced Coffee

Sustainable procurement is another key component of SEI's strategy to reduce its environmental footprint across the entire store network and supply chain. In 2021 SEI continued to expand its sustainably-sourced coffee program by adding its latest variety of 7-Reserve™ premium coffee. The new brew comes from the Huehuetenango region, is Rainforest Alliance Certified™, and is made from single-origin, sustainably sourced, 100% Arabica beans. The beans are fully cultivated and processed on small farms, which means that with every cup, customers are supporting farms and sustainable farming methods with their purchases.

\* The Rainforest Alliance is an international nonprofit organization that seeks to conserve biodiversity and ensure sustainable livelihoods. Carrying the Rainforest Alliance Certified seal with the little green frog means the 100% Arabica beans are sourced from coffee-growers whose farms must meet strict standards designed to protect the environment, conserve wildlife and promote the well-being of local communities.



New variety of 7-Reserve™ premium coffee

## Supporting Local Communities (U.S. & Canada)

Since 1927, SEI has been dedicated to making life more convenient for our customers. Today, with more than 13,000 locations across the U.S. and Canada, we continue to lead through service, no matter how big the challenge. From strengthening our communities through our signature outreach programs to stepping up during the COVID-19 pandemic with vital supplies and aid, SEI is making a big impact. Throughout 2021, SEI's commitment to our communities grew in new ways to become stronger than ever. Through signature programs such as Operation Chill and Project-A-Game, as well as charitable donations and events, volunteer efforts and in-store fundraising, the 7-Eleven family of brands provided support to thousands of communities across the country.



### Fighting Hunger

SEI continued its long-standing support of hunger relief by holding multiple events for organizations working to address food insecurity. SEI has been working with Feeding America for 21 years, supporting its nationwide network of 200 food banks, which provide meals to more than 40 million people each year through national and local donations, volunteer efforts, and more. In FY 2021, SEI implemented a variety of initiatives in partnership with Feeding America® and Food Banks of Canada Highlights include:

- Donated \$100,000 to Feeding America in honor of 7-Eleven's 94th birthday on July 11\*
- Franchisees and store associates, vendors and SEI contributed an additional \$1.8 million to Feeding America through a number of in-store campaigns in 2021. This donation will help provide at least 18 million meals for families in need across the country.\*
- 7-Eleven Canada and its customers donated more than 320,000 meals in 2021 to Food Banks Canada.

\*\$1 helps provide at least 10 meals secured by Feeding America on behalf of local member food banks



## North Texas Food Bank

Through two separate outdoor food drive events at the Irving Store Support Center — the first in April and the second in November — the team donated more than 6,500 pounds of food. When combined with the company's \$20,000 cash contribution, as well as the additional funds many associates donated directly to North Texas Food Bank online, the total impact was 79,430 meals for local families.



Outdoor food drive events at the Irving Store Support Center

## Supporting Communities During Disaster Relief

Each year, the Red Cross responds to more than 60,000 disasters — including home fires, hurricanes, floods, earthquakes, tornadoes and wildfires. In 2021, SEI continued its support of the American Red Cross by renewing its annual membership in the American Red Cross Disaster Responder Program. SEI contributed \$250,000 to help the Red Cross provide food, emergency shelter, relief supplies and comfort to people affected by disasters like hurricanes, tornadoes, wildfires and countless other crises. As a Disaster Responder Program member, SEI's year-round commitment in advance of disasters helped prepare communities for disasters big and small and ensure the Red Cross could mobilize and respond immediately following disasters throughout the year.



**American  
Red Cross**

## Developing Youth Through Education

For many years, Project A-Game (PAG) grants have helped 7-Eleven® (and now Stripes®) stores cultivate positive relationships within neighborhoods and provide youth development opportunities in education, fitness, safety and hunger relief. PAG grants are also instrumental in supporting the opening of new stores as they seek to foster community connections.

In FY2021, 434 grants were awarded to community organizations, totaling more than \$390,000. From the Uniondale Little League in Uniondale, N.Y., to the Reeves Elementary School STEM program in Woburn, Mass., to many more programs across the country, PAG grants help to keep kids learning, growing and having fun all year long. Since its inception, 7-Eleven® and Stripes® stores have awarded more than 5,000 grants, a community investment of \$3.5 million. Grants have been used to underwrite initiatives including math and science projects, tutoring, school supplies and sporting equipment to ensure children have the resources and inspiration they need to stay in school.



## Encouraging Positive Behavior and Foster Community Connections

A tasty reward for staying cool – that’s Operation Chill®! Designed to enhance relationships between police and young people, Operation Chill allows law enforcement officers to reward kids they observe doing good deeds or exhibiting positive behavior with a coupon good for a free small Slurpee® drink at any participating U.S. 7-Eleven® store. In addition to recognizing great kids, Operation Chill provides opportunities for officers to establish a positive connection with kids in their neighborhood. The reasons for being rewarded coupons are varied — wearing a helmet while riding a bike, picking up litter, helping a neighbor or holding the door open — but the result is the same for every child: A free Slurpee® drink and a smile for a good deed.

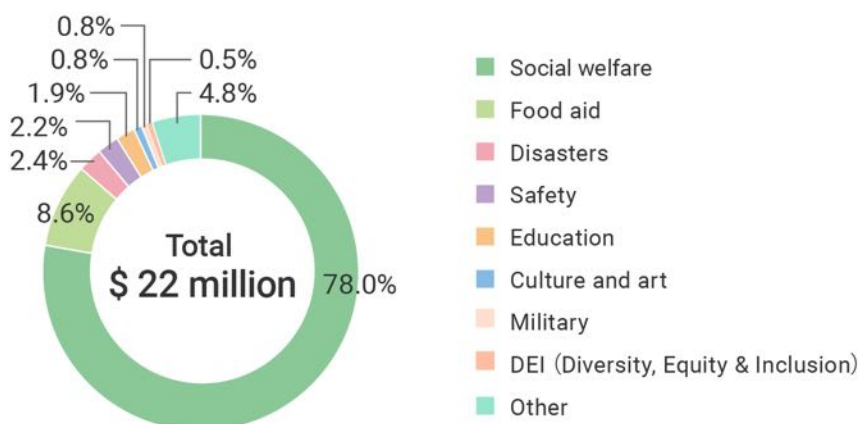
Founded in Philadelphia in 1995 with a goal to give law enforcement officers a positive way to interact with children and teens, SEI's long standing community outreach program has grown to reach more than 1,100 local law enforcement agencies across the country. Through Operation Chill, SEI has donated more than 23 million free Slurpee drink coupons to law enforcement agencies in communities across the country. After 25 years, the Operation Chill program was completely reimagined into an all-new digital experience, complete with the launch of [www.7-elevenoperationchill.com](http://www.7-elevenoperationchill.com), where law enforcement agencies could easily register online, request Slurpee® drink coupons, and access best practices, tools and tips for making Operation Chill a success in their local communities.

The Operation Chill branding also received an updated logo and new social media assets, ensuring that the program continues to remain fresh, fun and engaging for the next generation of youth. As a result, participation from law enforcement agencies has increased (with almost 300 more agencies participating in 2021 than in previous years) and coupon redemption is up 70% over 2020.



new social media sites (left) and distribution of reward coupons (right)

## Social Contribution Cost in the fiscal year ending February 28, 2022 (in the U.S. and Canada)



## Our Commitment to a Diversity and Inclusion

As the recognized industry leader, we have an obligation to lead the way in diversity, equity and inclusion. It's not only the right thing to do, it's a business imperative. After all, customers and the neighborhoods we serve are highly diverse — and getting more so every day. As a customer-obsessed organization that challenges the status quo and recognizes that people drive our success, the 7-Eleven family of brands is committed to taking bold action to build an inclusive culture that champions diversity.

7-Eleven is an integral part of the diverse neighborhoods we serve. Our business model is based on the empowerment and success of small business entrepreneurs regardless of race, gender or background. To ensure an inclusive customer experience and workplace, we encourage Franchisees and team members to bring their unique perspectives, talents and contributions to work every day. We strive for equality and are committed to doing even more — because we know it's the only way we can continue to grow and innovate, both as a brand and as a society.

In 2020, SEI created our Equality & Diversity Task Force and Roundtable. This dedicated team of leaders representing different areas within SEI is actively engaged in identifying ways to promote fairness across the organization so we can make an even greater impact in the communities we serve.

In FY2021, SEI celebrated and recognized diverse groups and individuals within SEI through a variety of programming:

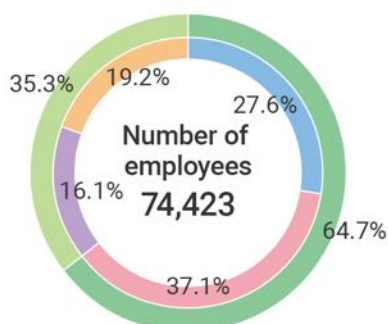
- Monthly awareness and engagement campaigns highlighting multicultural commemoration months such as Black History, Women's History, Pride, Asian American and Pacific Islander, Jewish American, National Arab American, Hispanic Heritage and Native American Heritage — just to name a few.
- Demonstrating SEI's commitment to veteran-friendly organizations with events and content to honor the service and sacrifice of military heroes and their families. Developed in partnership with the SEI's Veterans Outreach Organization, highlights included Military Appreciation Month, Memorial Day, Rolling Remembrance and Veterans Day.

The latest "Take it to Eleven" integrated marketing campaign featured all-female low rider enthusiasts in Los Angeles biking to a 7-Eleven for Big Gulps. Designed to showcase the spirit of taking things up a notch, the campaign shined a light on our customers' ability to take things one step further with ad spots featuring different cultures expressing themselves



Diversity, equity and inclusion campaigns

### Personnel data in the U.S. and Canada (as of the end of December, 2021)



Full-time employees	48,179
Male	20,557
Female	27,622
Part-time staff	26,244
Male	11,964
Female	14,280
Percentage of women in management positions, excluding executive officers	32.4%

# SEVEN-ELEVEN HAWAII, INC.

In March 2016, SEVEN-ELEVEN HAWAII, INC. (SEH) added "Our Promise" to its set of company values in order to support its direction as a chain of "close-by, convenient stores," to shape its corporate culture, and to further solidify its values.

"Our Promise" is comprised of the following three specific values.

- (1) Bring a smile to the faces of customers, vendor partners, and employees
- (2) Work together as a team to achieve goals
- (3) Strive for greater heights

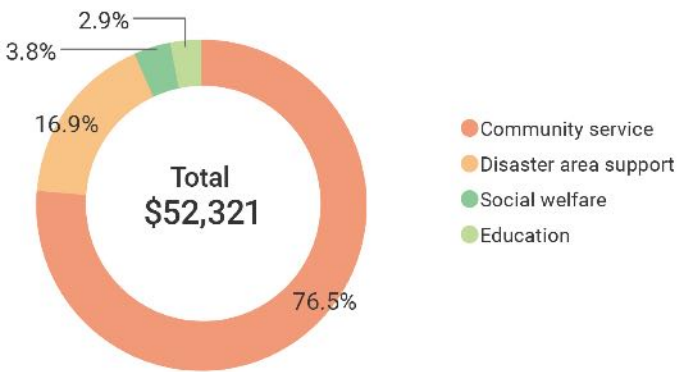
These values define SEH as a business for the community, for partners and for employees. The practice of Our Promise then becomes the cornerstone for the words and actions of employees. To promote "Our Promise," the company started a program for recognizing exceptional employees. First, all employees are encouraged to nominate people they think are practicing the three values. Then, the selected people are given a badge and a bonus and are announced on an employee-only Facebook page.



## Thriving with Local Communities

As a good corporate citizen, SEH supports activities and NPOs involved with children, education, public welfare, and health. In FY 2021, the equivalent of approximately \$103,220 in support was provided to 35 organizations through fundraising, material support, and volunteer activities on the part of SEH customers, stores, employees, and the company.

Amount of cash donations by SEVEN-ELEVEN HAWAII (FY2021)



## Supporting NPOs through Storefront Donations

SEH has been collecting storefront donations to support various NPOs that contribute to the local community since it began operations. Organizations that wish to receive donations submit an application stating their mission and why they want to participate in the organization, and each month, one organization is selected as the recipient. The selected organizations are active in fields such as health, safety, and education, and the donated funds are used throughout Hawaii. In FY2021, approximately \$75,500 was donated.

## Community Support through the Pandemic

SEH has continued its commitment to the community by partnering with Community Empowerment Resources (CER) as they sought personal protective equipment to reduce the risk for employees and clients during the COVID-19 pandemic. CER is a locally operated non-profit based in Honolulu known for its dedicated efforts to provide inclusive care to individuals who are diagnosed with illnesses that commonly lead to homelessness.

SEH harnessed the power of the community and partnered with vendors in a series of collaborative donations; first donating 10,000 face coverings in July 2021; followed by a contribution of 500 hand sanitizers in September 2021. These efforts helped to ensure that Hawaii's most vulnerable populations are cared for throughout the pandemic during a time when many non-profits were seeking community support.

## Sponsoring Health Conscious Culinary Competition for Students

On December 3, 2021, SEH along with the University of Hawai'i held its 4th annual Healthy Recipe Culinary Competition.

The criteria for the competition was more difficult than ever before: students had to create a better-for-you plant-based bento or entrée. In addition to the no-meat requirement, students were tasked with using a minimum of two locally grown, caught, or raised ingredients. As in previous years, SEH's Merchandising Team meets with students from Kapiolani Community College and Leeward Community College to share its food development process to help them prepare for the competition.

After a tough deliberation, the judges from SEH and Warabeya USA awarded the first-place prize to Kaleb Molina, a Leeward Community College student participating in the competition for the second time. Last year, he entered with a Kalua Pork Hash Patty and Kim Chee Fried Rice Bento, but his Vegan Rigatoni Bolognese took the top spot in 2021. "The previous year I entered, and it was a fun and educational experience. This year when I entered again, learning that my dish won, the feeling is indescribable!" Customers could try this new dish starting on March 29, 2022.

Kapiolani Community College's Avery Serna grabbed second place with his Vegan Fried Tofu and Gomoku Rice Bento. "I am passionate about Japanese cuisine, and when creating the recipe for this contest and thinking about healthy pairings for tofu, my first thought was flavorful rice," says Serna, who received his advanced training certificate from Kapiolani Community College's culinary program and hopes to move to Japan to specialize in Japanese cuisine. "The tofu is a soy-based marinade, so I needed something sweet to balance it against. The naturally sweet vegetables in the rice made the most sense. Even though it is vegan, I hope people feel the familiarity and want to eat this product without feeling guilty about the nutritional side of it." Serna was thrilled when his dish was introduced on June 13, 2022.



Culinary competition 1st place winner



2nd place: Vegan Fried Tofu and Gomoku Rice Bento



Culinary competition 2nd place winner

## Rallying the Community for Hawaii's Families

Each year in August, SEH hosts a major collection effort to support a local non-profit that includes two key initiatives: a Golf Tournament with the proceeds dedicated to the non-profit, and a donation canister collection. Family Promise of Hawaii's mission to help homeless and low-income families achieve sustainable independence by mobilizing existing community resources and support including shelter, food, and emergency care.

In combination with the proceeds from the tournament and customer contributions from the monthly canister, SEH awarded Family Promise of Hawaii \$49,742. These funds will be spent at the Drop-In Day Center located in Honolulu where individuals can go for access to the internet, showers, and laundry facilities as well as food and hygiene products for families.

## Helping Hawaii's Families Celebrate a Bright Holiday Season

SEH partnered with non-profit Keiki O Ka 'Aina in December 2021 to support their mission to educate children, strengthen families, enrich communities, and perpetuate the Hawaiian culture by empowering Hawaii's families to undertake leadership roles in their communities. At the heart of all the enrichment practices is the Hawaiian language, tradition, and values.

Keiki O Ka 'Aina hosts a major "adopt-a-family" campaign each holiday season, where generous community members can anonymously gift necessities to a family in need. To support this campaign, SEH made a donation of \$40,000 and sponsored a "Winter Wonderland" at Windward Shopping Center to support the cause on December 4, 2021.

In addition, Store Support Center members participated in the "adopt-a-family" initiative and collectively donated approximately \$1,250 in retail value of supplies and other essentials to help a worthy family. As a result of these combined efforts, SEH was recognized as the largest single donor to Keiki o Ka Aina on KHON2 during the evening news in December.



Partnering with Keiki O Ka 'Aina

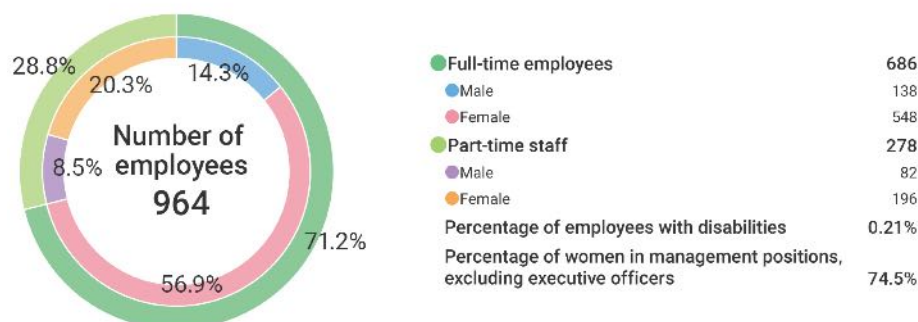


Sponsoring "Winter Wonderland"

## Diversity & Inclusion

Hawaii is a region which is especially diverse in language, culture, education, age, and other factors. People across several generations have continued to accept mutual differences, appreciate each other, and share their stories. As a result, the culture of the Hawaii state was born with many unique things such as food, language, and festivals. Diversity and inclusion are established in SEH's culture and lives in all relationships whether in public spaces or at the workplace.

### Personnel data of SEVEN-ELEVEN HAWAII, INC. (as of the end of December, 2021)



## Reducing Environmental Impact



## Plastic Countermeasures

SEH continues its plastic reduction efforts in 2021 with its cold beverage cups.

In quarter three of that year, all 65 stores transitioned its Big Gulp® and Slurpee® cups from plastic to paper. Concurrently, all plastic lids were replaced with PLA lids. To reflect SEH's "Your Neighborhood Store" theme, cup designs were inspired by Hawaii's lifestyle and culture. Using 2013 as the base year, this change resulted in a net CO<sub>2</sub> emissions reduction of 5 metric tons, a 97% reduction (cold cups & lids). They will continue to focus on ways to further decrease plastic use in addition to energy reduction.



Big Gulp® cup



Slurpee® cups

#### 【Examples of other Initiatives】

- Not including spoons, forks, and other utensils with boxed lunches, but handing them to those who need them at the cash register
- Eliminating disposable plastic bags
- Introduce shrink wrapping\* and minimize the wrapping of fresh produce
- Implement a "Bring your own cup" program to encourage customers to bring their own cups
- Hot Beverage plastic lids replaced with PLA based lids
- Hot Beverage plastic stir sticks are now made of wood

\* Airtight packaging that uses plastic packaging film that is shrunk by heat

#### Number of SEH Stores and Environmental Data Associated with Store Operations

	FY2018	FY2019	FY2020	FY2021	FY2022 target
Number of stores	64	66	65	65	67
Electricity consumption (MWh)	18,425	18,849	18,099	18,156	18,435
Water consumption (thousand m <sup>3</sup> )	51	50	51	55	57

#### Major Awards and Recognition in FY2021

Recognition or Award Name	Award Sponsor	Reason
1st place: Best Spam® Musubi 1st place: Best Convenience Store	Star Advertiser	Voting by readers
1st place: Best Musubi	Honolulu Magazine	Voting by readers
Finalist: Best Musubi	KITV4	Voting by viewers

# Chinese Convenience Store Business

## Providing Safe and Reliable Products

In China, where concerns over food safety and reliability have been mounting, SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) work to provide safe and reliable products by leveraging quality management and product development capacities cultivated in Japan.



### Product Quality Management

For private brand products sold at SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU), strict criteria are applied in the selection of raw materials, and manufacturing plants are screened for items such as experience in exporting to Japan to select plants with high quality levels.

#### ● Introduction of Quality Management System

Factories that manufacture only private brand products are strengthening quality control by adopting international systems for food safety management and measures taken at Japanese factories. SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (TIANJIN) manufacturing factories, Beijing Wang-Yang Foods and JEANAVICE Factories, obtained "SC" food production license for chilled food in January 2017, earlier than their peers. SC is a Chinese law regarding food production that must be obtained by October 2018, switching from the previous "QS" food quality and safety license.

In addition, Q's Café Factory and Beijing Want-Yang Foods obtained HACCP<sup>\*1</sup> certification in March 2017 and March 2018, respectively. Beijing Want-Yang Foods began conducting ATP wipe inspections in November 2021, and is working to manufacture safer and more secure products. In October 2021, additional pillow wrapping machines were introduced, and burgers and rolls that were previously manufactured by hand are now being converted to pillow wrapping. SEVEN-ELEVEN (CHENGDU) also asks its suppliers to comply with its own standards, which are stricter than domestic laws and regulations, and also holds regular quality control workshops for store employees to ensure safety and security.

#### ● Automation of Production Processes

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) are automating their manufacturing processes to further stabilize the taste and quality of their products. Chengdu Yonglida Food Limited Company, which supplies products to SEVEN-ELEVEN (CHENGDU), expanded the installation of rice ball molding and packaging machines in July 2018 and adopted noodle-making machines in 2019. In 2020, the company is expanding its cooking facilities and continuing to implement the offering of completely new and unique products in addition to improving quality. Beijing Want-Yang Foods has mechanized its cooked bread manufacturing plant, which began full-scale operations in March 2019, focusing on the bread-making process and product packaging. SEVEN-ELEVEN (CHENGDU) is working on activities to help improve the temperature control level and safety of its products by enhancing its cooling facilities and in-place cooling system to ensure product safety, following the automation of processes at its manufacturing plant. At the same time, the production management department and SEVEN-ELEVEN (CHENGDU) employees hold monthly study sessions to improve product quality and stability. SEVEN-ELEVEN (TIANJIN) has been selling salads using the cold chain since July 2019.

\*1 HACCP (Hazard Analysis and Critical Control Point) food sanitation management method

## Giving Consideration to Health

Trans-fatty acids, which are said to increase the risk of heart disease, were successfully reduced to zero in the original room-temperature bread products of SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU). In addition, since January 2019, allergens have been displayed for rice balls and sushi, and this is gradually being expanded to boxed lunches, sandwiches, and other daily food products.

SEVEN-ELEVEN (BEIJING) began displaying calories on the surface of packages for sandwiches and salads in the second half of FY2021, and also began releasing room temperature bread from the Zero Sugar series in April 2022. In the future, it plans to launch salads made with plant meat. Furthermore, SEVEN-ELEVEN (TIANJIN) is launching lunchboxes such as cereal rice and salads rich in vegetables under the theme of health from the second half of FY2020.

## Improving Customer Satisfaction

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) are working to collect customer feedback in order to improve products and services from the standpoint of customers. Feedback obtained from customers is shared with departments and stores on a daily basis. In addition, in order to grasp changes in customer needs and reflect them in products, SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (CHENGDU) conduct periodic customer surveys. Further, SEVEN-ELEVEN (TIANJIN) held a product exhibition in September 2019. At the exhibition, food tasting of new products and questionnaire surveys on future needs and so on were conducted to use for product development.

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) have been conducting training to further improve the customer service provided by employees. In FY 2019, SEVEN-ELEVEN (BEIJING) conducted customer service education targeting night-time responsible person at all stores, with local managers as instructors. In the same fiscal year, SEVEN-ELEVEN (TIANJIN) conducted training 10 times, with 72 participants from 41 stores learning about the importance of customer service, dealing with customers at cash registers, and other issues based on actual cases studies. Employees who passed the test were also given "Customer Service Star" badges.

Since FY2020, SEVEN-ELEVEN (CHENGDU) has adopted a training program to improve the level of customer service. Trainers visit stores and evaluate employees' customer service levels and Fast food sales response levels (with scores from 0 to 100), among other things, and stores with issues undergo focused training. In addition, improvement is being sought through implementation of TTT (Training the Trainer) sessions and through the entire cycle of providing feedback on evaluation and information sharing. In particular by setting a training manager for each individual store and sharing examples of excellent stores and methods of in-store education through the TTT sessions held on a monthly basis. In FY2020, the level of customer service at the time of check out at all stores improved, and fast food sales increased. At the end of 2021, they presented awards to five individuals who demonstrated excellent customer service, and to three outstanding stores.

SEVEN-ELEVEN (BEIJING) created customer service awards to recognize employees who provide outstanding customer service. The awards are presented in a group ceremony every three months. We will strive to enhance motivation by presenting awards to recipients at meetings and other such forums in conjunction with striving to increase examples of best practices for employees to follow by making the award-winning activities widely known.



TTT session at SEVEN-ELEVEN (CHENGDU)

## Thriving with Local Communities

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) each conducts social contribution activities as members of their local communities.



### Environmental Preservation Measures through Storefront Donations

SEVEN-ELEVEN (BEIJING) installed donation boxes in stores and has been collecting money from customers since November 2006. The funds are donated to the Beijing Green Fund, an officially-recognized environmental preservation organization. The Fund uses donations from the public to plant trees as countermeasures against sandstorm damage and desertification, creating tree fences that prevent sand movement in and around Beijing. Starting FY2018, as an activity in which customers could easily get involved, it began an initiative in which part of the proceeds from customers' coffee purchases were donated to the Beijing Green Fund. In FY2021, 51,231 yuan was donated.

#### Donation amounts to Beijing Green Fund

FY2019	FY2020	FY2021
100,996 yuan	49,410 yuan	51,231 yuan

### Support for Children

Since 2013, SEVEN-ELEVEN (CHENGDU) has continuously provided support for Benevolence House, a home for children with brain disorders. In FY2020, due to the impact of the spread of the new coronavirus infection, two employees volunteered to represent the company and visited Benevolence House to donate household items, etc. In FY2021, as the coronavirus disaster continued, a designated employee represented the company and visited Benevolence House to donate household items, etc.

#### Value of Goods Donated to Benevolence House by SEVEN-ELEVEN (CHENGDU)

FY2019	FY2020	FY2021
2,000 yuan	1,990 yuan	1,891 yuan



Visit to Benevolence House

## Creating Fulfilling Workplaces

In continuing to expand our network of stores in China, it is essential that we hire and train local employees. SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) seek to raise the communication abilities of employees and develop them to be able to think and act by themselves. To this end, the three companies are working to provide various training seminars and create workplaces where employees are able to demonstrate their abilities to the fullest.



### Employee-Related Data (FY2021)

	SEVEN-ELEVEN (BEIJING)	SEVEN-ELEVEN (TIANJIN)	SEVEN-ELEVEN (CHENGDU)
Full-time employees (Men/Women)	338 (178/160)	154 (58/96)	145 (47/98)
Part-time staff	359	75	65
Percentage of employees with disabilities	3.10%	3.05%	1.43%

### Employee-Related Data (FY2020)

	SEVEN-ELEVEN (BEIJING)	SEVEN-ELEVEN (TIANJIN)	SEVEN-ELEVEN (CHENGDU)
Full-time employees (Men/Women)	336 (169/167)	158 (51/107)	168 (57/111)
Part-time staff	163	151	111
Percentage of employees with disabilities	3.02%	4.40%	1.43%

## Support for Enhancing the Abilities of Employees

Operations field counselors (OFC) play an important role in connecting the head office with franchise store owners. They serve as store management consultants that provide multifaceted advice to franchise stores on overall management, including ordering, product lineups, and employee training. OFC candidates first gain store experience at training stores and learn the fundamentals of store management, which include the Four Basic Principles; unit control; employing, training, assigning and evaluating of staff; and management indicators.

To shorten the OFC training period, SEVEN-ELEVEN (BEIJING) provides training and testing on relevant knowledge of OFC at the stage of training store managers. In addition to traditional knowledge acquisition, role-playing is also incorporated, with store managers acting as OFC and providing on-site guidance on management issues submitted by the franchise store owner. At the same time, store managers travel with experienced trainers to experience existing OFC operations. In order to improve the effectiveness and efficiency of OFC training, SEVEN-ELEVEN (BEIJING) has also introduced an online platform to our traditional training methods, using case studies, simulations, study sessions, on-the-job training, and other training methods to help store managers, our priority target for OFC training, learn OFC operations better. Case studies and simulations are also used in the OFC test content so that managers can apply what they learn on the job.

In FY2019, SEVEN-ELEVEN (TIANJIN) revised the AFC evaluation criteria and introduced a mechanism for quantitative evaluation. The existing qualitative evaluation was changed with clear standards for each evaluation item such as communication skill and evaluation is carried out using scores. Further, since March 2021, each department at the head office has been conducting intensive training every week. In order to enrich OFCs' job knowledge, acquisition of knowledge about architecture, finance, products, and operations related to store guidance is ensured. In particular, it educates on how to solve problems and how to respond to franchise store owners who are in special situations. In addition, since the second half of 2020, it has been furthering presentation of issues at store manager meetings. SEVEN-ELEVEN (TIANJIN) aims to improve the ability to analyze, solve, and verify aspects of a problem through presentations on the main theme of unit control. It is promoting education in advance to nurture reliable OFCs who can provide smooth explanations to franchise store owners.

SEVEN-ELEVEN (CHENGDU) started a new training program for store managers in FY2018 to teach skills such as analysis of business figures and computer operations necessary for work. In FY2019, training such as numerical analysis, employment development, and store management was conducted 12 times for 50 store managers. In FY2020, with the decrease in the number of directly managed stores, it shifted the focus of education to the selection of trainees and human resources, introduced the concept of "talent pool," and focused on the development of talented employees with potential, with the aim of fostering highly skilled OFCs.

At weekly meetings of OFCs, company policies are shared and training is conducted to enhance work skills such as communicating effectively with franchise stores. SEVEN-ELEVEN (CHENGDU) conducts training of head office employees on corporate structures, laws and approaches regarding operations, business etiquette, PC operation, and other topics.



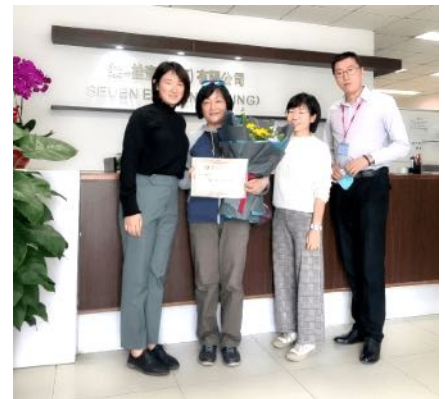
Training session

## Programs to Raise Employee Motivation

Various initiatives are implemented to raise employee motivation and resolve issues they may face in the workplace. For example, SEVEN-ELEVEN (TIANJIN) and SEVEN-ELEVEN (CHENGDU) have instituted internal hiring programs that allow employees to apply for desired positions. SEVEN-ELEVEN (BEIJING) is utilizing employee feedback to improve actual operations by encouraging the institutionalization of probationary and consideration period interviews for new employees, contract renewal interviews, and retirement interviews. In addition, it holds a retirement party to show appreciation for the many years of service to the company and to express the spirit of "valuing employees."

### Examples of programs for raising employee motivation

- Operate a contact desk so that employees can consult with the company on issues
- Interviews with employees by human resources departments
- Interviews with new employees by supervisors
- Organize employee meetings to promote closer interaction and socialization
- Conduct questionnaires on motivation
- Share role models by giving awards to excellent employees



Retirement party

## Fair Evaluation and Remuneration

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVENELEVEN (CHENGDU) have adopted an employee evaluation system that combines monthly interview evaluations and yearly evaluations. Monthly interviews are conducted between employees and their direct supervisors to discuss the rate of progress toward their performance goals. In addition, once each year, after self-assessments are carried out by each employee, interviews and evaluations are then conducted by the direct supervisor and a secondary, higher-level supervisor. Monthly evaluations are based on company, divisional, and individual performance. For managers who conduct evaluation, education is carried out so that they can evaluate subordinates properly and develop human resources.

In order to improve the evaluation system, SEVEN-ELEVEN (BEIJING) worked with external specialists to review the skill items necessary for each job. Moreover, the frequency of interviews was changed from once a year to quarterly, and progress is being periodically checked so that annual performance goals can be achieved. In FY2020, it implemented only annual evaluations and interviews due to the influence of COVID-19. It is conducting interviews focusing on key positions to gain an understanding of the problems faced by our employees, and implementing coordination of operations to meet the demands of the post-corona period. In addition, in FY2021, it conducted annual performance evaluations and interviews, took a questionnaire on career planning in line with the expansion into new areas in Hebei Province, and developed a preliminary plan for new areas in accordance with business needs and individual motivation. In 2021,

SEVEN-ELEVEN (TIANJIN) reviewed the self-check system and evaluation items at headquarters and stores, and made improvements to ensure fair and equal evaluation standards. For example, in the evaluation of directly managed store managers, it has created a system that combines monthly rankings of management figures and basic evaluations to serve as criteria for promotion and demotion.

SEVEN-ELEVEN (CHENGDU) changed its company structure and evaluation system in FY2019. Starting from FY2020, managers are evaluated and interviewed every quarter, while non-managers are evaluated monthly. In FY2021, it implemented the existing evaluation system and established KPIs, such as performance, which it plan to add to future evaluations. This evaluation will be implemented in FY2022.

## Promoting the Advancement of Women

In China, the labor contract laws have been designed to provide male and female employees with generous leave related to childbirth and childcare. Moreover, men and women are treated equally, and it is common for women to continue working after marriage. This legal system and practice of appointing managers based on ability work together to promote the appointment of women to managerial positions. In 2012, the first Chinese woman director was appointed at SEVEN-ELEVEN (TIANJIN). As of December 31, 2018, women currently occupy approximately half of the nonexecutive managerial positions at SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN) and SEVENELEVEN (CHENGDU). In March 2018, SEVEN-ELEVEN (BEIJING) appointed women in the roles of vice president and director, and SEVEN-ELEVEN (TIANJIN) appointed a woman as director.

## Internships

With the aim of hiring outstanding human resources, hiring local personnel, and promoting the education of youth, SEVEN-ELEVEN (TIANJIN) and SEVEN-ELEVEN (CHENGDU) conduct internships and have been recognized by the government as Youth Employment Intern Bases that promote the employment of young people who have graduated from high school. SEVEN-ELEVEN (TIANJIN) accepted 39 interns in FY2021, 4 of whom were employed by SEVEN-ELEVEN (TIANJIN). SEVEN-ELEVEN (CHENGDU) accepted 14 interns in FY2020, 4 of whom were employed by SEVEN-ELEVEN (CHENGDU) in July 2021.

## Reducing Environmental Impact

The Chinese government has been putting great emphasis on climate change issues. In Beijing, companies with annual CO<sub>2</sub> emissions in excess of 5,000 tons are subject to upper limits on CO<sub>2</sub> emissions in each industry as major emitters and must purchase emissions credits for the excess portions. In FY2020, SEVEN-ELEVEN (BEIJING), which is subject to this program, saw overall CO<sub>2</sub> emissions increased as a result of an increase in the number of stores and chilled cases, and consequently, it purchased emissions credits for approximately 14,000 tons. However, in FY2020 and FY2021, it did not purchase emission credits because it did not reach the CO<sub>2</sub> emissions cap. SEVEN-ELEVEN (TIANJIN) and SEVEN-ELEVEN (CHENGDU) also reported higher electricity consumption due to an increase in the number of stores, new installations of refrigeration and freezer devices, and so on.



### Environment-related Data SEVEN-ELEVEN (BEIJING)

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of stores	247	266	275	283	304
Electricity consumption (MWh)	25,702	26,537	29,773	24,251	25,171
Water Consumption (1,000m <sup>3</sup> )	83	85	94	78	55

### SEVEN-ELEVEN (TIANJIN)

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of stores	118	155	178	179	200
Electricity consumption (MWh)	10,077	14,814	20,051	17,552	17,898
Water Consumption (1,000 m <sup>3</sup> )	34	42	57	49	50

## SEVEN-ELEVEN (CHENGDU)

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of stores	87	77	75	73	84
Electricity consumption (MWh)	7,892	11,137	9,720	7,631	8,491
Water Consumption (1,000 m <sup>3</sup> )	24	25	24	24	27

### Energy Conservation Measures at Stores

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) have installed LED illumination as interior lighting in all stores and are implementing other measures to reduce electricity consumption, such as installing curtains in walk-in refrigerators to prevent the outflow of cold air, and conducting education to raise employees' awareness. In addition, all the three companies have changed their fast food warming cases and introduced fast food refrigerated cases to save energy while eliminating opportunity loss and reducing waste loss. SEVEN-ELEVEN (BEIJING) has completed the installation of fast food refrigerated cases in a total of 66 stores by the end of 2021, leading to energy savings of 1,485 kW per day.

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) re-announced the 7 power-saving articles and 9 power-saving articles signs to all stores in FY2021 and posted them in store backrooms to ensure their implementation in all stores and raise everyone's awareness of power saving. In addition, they are thoroughly turning off lights and air conditioners when they are not needed.

Through meetings and product exhibitions for operations field counselors (OFCs), SEVEN-ELEVEN (BEIJING) shares information about being thorough in saving energy with OFCs and franchise store owners.

### Environmental Measures at Food Manufacturing Factories

In order to avoid wasting resources, efforts are being made at Beijing Wang-Yang Foods, a food manufacturing factory of SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (TIANJIN), to utilize food loss generated by each factory as feedstock for a pig farm. Similarly, the JEANAVICE Factory has a contract with a fish farm to collect residual bread. Both factories use wastewater treatment facilities that clean water to the same or higher standard than government standards to ensure that polluted water is not discharged, collect waste oil, and conduct periodic investigations of smoke emissions from the perspective of preventing atmospheric pollution.

Furthermore, to save energy, JEANAVICE Factory works to reduce thermal loss from boilers and reduce the consumption of gas.

## Initiatives in China

[For information on the superstore business in China, please follow this link. >](#)

# Chinese Superstore Business

## Message from the Chairperson

The year 2022 marks the 25th anniversary of Ito-Yokado's opening of its Chunxi store in Chengdu, China. As a member of the Seven & i Group, we will continue to focus on the shopping experience of each individual customer and provide higher quality products and services to our customers under the slogan of "Responding to changes and adhering to the basics." We will constantly pass on Ito-Yokado's "spirit of craftsmanship" in China and strive for the sound development of the company.

Ito-Yokado currently operates 12 stores in China (9 general merchandising stores, 2 food and commodity stores, and 1 shopping center), welcoming nearly 30 million customers each year. Through these store operations, we have continuously improved the quality of our products, enhanced our services, reformed our business model, and created new consumption scenarios to demonstrate the appeal of the "innovative Ito-Yokado." At the same time, we emphasize the joint development of the company and society and focus on achieving the goals of the Seven & i Group's GREEN CHALLENGE 2050 and addressing the Seven Material Issues that are social issues, thereby contributing to the sustainable development of society. In addition, through repeated dialogue with our stakeholders, including customers, business partners, shareholders, local communities, and employees, we will work to realize a sustainable society by providing environmentally friendly products and reducing plastic usage and food loss. We will also continue to make charitable donations for the development of local communities, and contribute to the realization of a sustainable society and take on the challenge of creating new value by working to provide food safety and security, which are the primary concerns of our customers, as well as higher quality products and services.

The Chinese economy continues to undergo a transformation, with the new coronavirus outbreak showing no signs of abating and new factors of international instability emerging. However, customers' expectations are growing as China's urban consumption becomes more sophisticated, the quality of the supply chain is constantly developing and new distribution infrastructure is being put in place. We are entering a new phase of development integrating "craftsmanship, quality, wisdom, fun, and green" so that we can provide "a shopping experience that exceeds customer expectations." In the future, we will take advantage of the Regional Comprehensive Economic Partnership (RCEP) agreement to further strengthen the characteristics of Japanese companies, promote the expansion of economic trade between China and Japan, and provide innovative shopping experiences for our customers by creating new life scenes, products, and consumption styles.





Ito-Yokado (China)  
Investment Co., Ltd.  
Hua Tang Yokado  
Commercial Co., Ltd.  
Chengdu Ito-Yokado Co., Ltd.  
Chairperson  
**Tsugumi Ko**

## China Business History

Year	Event
1996	Request to establish superstore received from government of China and Chengdu in Sichuan Province
December 1996	Chengdu Ito-Yokado Co., Ltd. established in Chengdu
September 1997	Hua Tang Yokado Commercial Co., Ltd. established in Beijing
November 1997	Chunxi Store opens in Chengdu
December 2001	Asian Games Village Store opens in Beijing
September 2003	Shuangnan Store opens in Chengdu
December 2007	Jinhua Store opens in Chengdu
November 2009	Jianshe Road Store opens in Chengdu
November 2011	High-tech Store opens in Chengdu
January 2014	Wenjiang Store opens in Chengdu
2014	Then-Chairman Tomohiro Saegusa named an honorary citizen of Chengdu, a first for a Japanese manager of a private company
January 2017	Meishan Store opens in Meishan
April 2017	Chengdu Ito-Yokado E-commerce Co., Ltd. established in Chengdu
November 2018	Huafu Avenue Store lifestyle grocery store opens in Chengdu
January 2019	Ito Plaza opens in Chengdu
January 2021	Leshan Store opens in Leshan

## Company Overview

	Chengdu Ito-Yokado	Hua Tang Yokado Commercial
		
Net Sales	approx. ¥71,200 million	approx. ¥5,400 million
Number of employees	2,795	191
Number of stores	10 stores (Chunxi, Shuangnan, Jinhua, Jianshe Road, High-tech, Wenjiang, Meishan, Huaifu Avenue, Ito Plaza, Leshan)	1 store (Asian Games Village)
Established	December 1996	September 1997
Chairman	Tsugumi Ko	Tsugumi Ko
President	Kazumi Kunimi	Satoshi Osada
CSR Promotion Structure	Corporate Ethics and Culture Committee	Corporate Ethics and Culture Committee
	Corporate Ethics and Culture Subcommittee	Corporate Ethics and Culture Subcommittee
	Consumer Affairs and Quality Control Subcommittee	Consumer Affairs and Quality Control Subcommittee
	Environmental Subcommittee	Environmental Subcommittee

\* Fiscal year ending December 31 (number of stores as of December 31, 2021; number of employees as of February 28, 2022)

\* Exchange rate of CNY1 = ¥17.04

\* Net sales does not include value added tax

## CSR Initiatives



### CSR Promotion Structure

In China, companies are required by society to promote CSR, for example, by formulating CSR initiative policies and evaluation indicators in line with Chinese government policy, and by publishing CSR evaluation rankings.

Ito-Yokado (China) Investment Co., Ltd. established a Corporate Ethics and Culture Committee in the latter half of 2021 and has begun building a structure for a cross-sectoral activity system for its China operations in cooperation with the CSR promotion system committees of each China operating company. The Corporate Ethics and Culture Committee consists of three subcommittees: the Corporate Ethics and Culture Subcommittee, the Environmental Subcommittee, and the Consumer Affairs and Quality Control Subcommittee. The Corporate Ethics and Culture Subcommittee goes back to the starting point of the company's establishment and ensures that employees are fully aware of the company's policies and corporate creed. The Environment Subcommittee promotes specific reduction targets for electricity and water conservation and energy-saving store operations. The Consumer Affairs and Quality Control Subcommittee works to provide safe and secure products and services, leading to better products and services. Chengdu Ito-Yokado and Hua Tang Yokado Commercial have begun working together with the Corporate Action Committee of Ito-Yokado (China) Investment Co., Ltd. to promote CSR more comprehensively. In addition, the Corporate Action Committee of Chengdu Ito-Yokado shares the Seven & i Group Material Issues through online and offline communication meetings, and formulates plans to resolve these issues. The committee also holds network-based online training sessions to establish a curriculum that enables employees to learn business and skills knowledge and correctly conduct corporate activities.

### Publication of CSR Reports

Chengdu Ito-Yokado has published a report annually since its first CSR Report, which summarizes its social and environmental initiatives, in July 2016. In preparing the report, we refer to the Global Reporting Initiative (GRI), SDGs, and ESG, and also include a comparison table with the three at the end of the report. The CSR Report for FY2021, published in August 2022, was distributed to attendees of the Sichuan CSR Report Presentation and conferences for the private sector, and was also provided to the Ministry of Industry and Credit, the State Resources Commission, and other government agencies through the China Federation of Industry and Economy for their use.



## Promise to Customers



### Quality and Freshness Management

Chengdu Ito-Yokado distributes a "Standard Operating Procedures Manual" to each employee to unify production and processing standards and improve quality, and headquarters personnel regularly visit stores to confirm that products meet the standards. We also screen, evaluate, and track contracts with suppliers of products, and work to realize a total quality management system for the supply chain from the farms to the dining tables.

Hua Tang Yokado Commercial holds quality control training for employees handling food products four times each year and strictly adheres to quality control standards. In addition, the company conducts regular inspections of the sanitary environment, including equipment, sanitation and process systems, and employees, on the sales floor and backrooms. In addition, to prevent the spread of COVID-19, employees in the food sales floor conduct PCR tests daily, and employees in the backroom conduct PCR tests every 48 to 72 hours in response to administrative requirements. The sales floor and backroom are regularly sanitized to provide customers with a safe and secure shopping environment.

### Provision of Traceability Information

Since 2013, Chengdu Ito-Yokado has established a food traceability system in cooperation with producers to disclose product information to customers. Chengdu Ito-Yokado independently developed "看得見的放心" and manages the quality of its products. 看得見的放心 has the same concept as "Traceable Fresh Food with Producers' Faces" sold at Ito-Yokado in Japan and it has earned the trust of its customers as safe and secure products.

**看得見的放心 Muscat:** In 2020, we established a new production site in Yunnan in addition to the production site in Dujiangyan. The Yunnan production site is located in Jianshui County, Honghe Province, Yunnan Province, with an elevation of 1,700 meters above sea level, an average annual temperature of 18.5°C, an average annual sunshine duration of 2,750 hours, and a large temperature difference between day and night, making it the fastest maturing area for muscats in China.

**看得見的放心 Melons:** The production center for Xizhou melons is located in Lhedong Li Autonomous Prefecture, Hainan Province, at a latitude of 18 degrees north. Because of its tropical region, the area is known as a "Great Natural Greenhouse," with an average annual temperature of 22°C to 27°C, 2,650 hours of sunshine per year, and abundant rainfall. Therefore, the conditions for a favorable environment for growing melons with high sugar content, good quality, and a strong aroma are available.

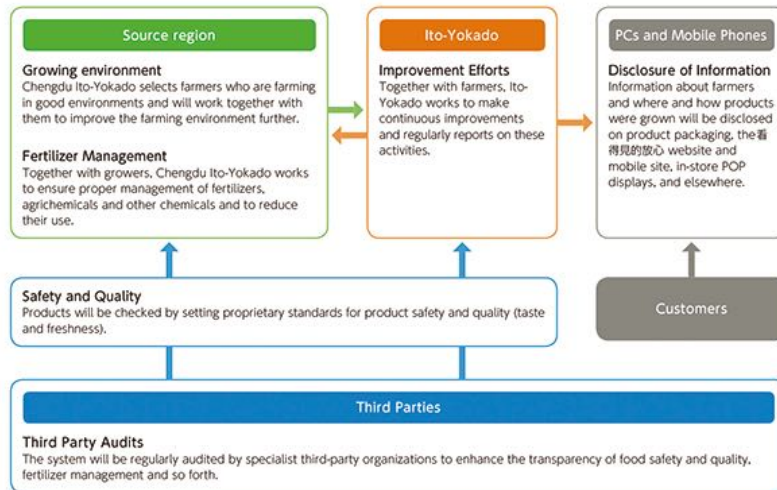


「看得見的放心」Muscat



「看得見的放心」Melons

## 看得見的放心 System



## Strengthening Quality Management of Store Operations in Pursuit of a Safe and Secure Shopping Environment

In 2019, Chengdu Ito-Yokado began monthly quality inspections of store operational aspects by the Administration Division in order to fully enhance store management, operational, and service capabilities. The Administration Division leads the operational quality inspections, which are conducted by the division and stores together, and include monthly on-site inspections and on-site evaluations for matters such as basic customer service on the sales floor, sales floor and backroom management, and fire safety. For any problems discovered, the causes and countermeasures are shared with all employees to improve the management awareness and level of store managers and to ensure a safe and secure store environment.

From 2021, we are updating our management requirements to meet the changing shopping needs of our customers, subdividing our inspection criteria and spending more time communicating with our stores. We newly added 11 major and 145 minor operational quality inspection items to improve customer satisfaction.



Periodic inspections of warehouse



Meetings between the Administration Division and store employees

## "Citizen Quality Supervisor" System and Collection of Customer Feedback

Chengdu Ito-Yokado has established a "Citizen Quality Supervisor" system since 2008, inviting public participation from customers, to improve products and stores based on customer standards. In 2021, we received numerous comments from 95 Citizen Quality Supervisors and customers at each of our stores regarding our products and services, such as expanding the range of Japanese products, increasing the number of products for women that can be redeemed with member points, and the "伊藤到家" (online supermarket) portal site, and improved our products and services.



Inauguration of the Citizens Quality Supervisor in 2021

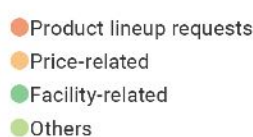
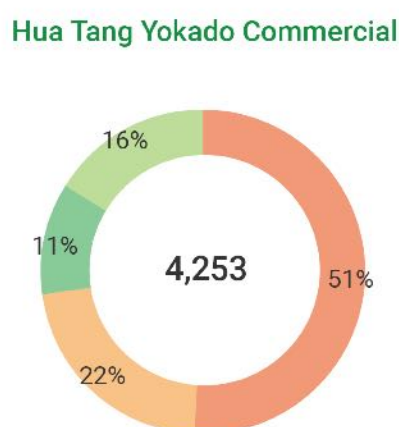
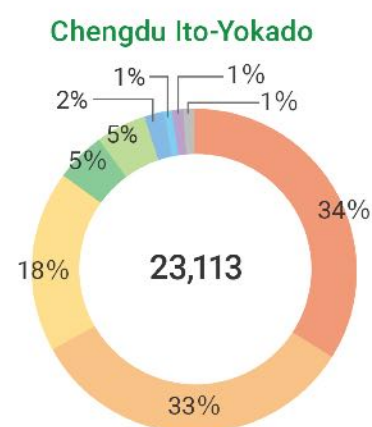


Events for Citizen Quality Supervisors



Menu tasted by Citizen Quality Supervisors

## Breakdown of Customer Feedback



## Promise to the Local Community



### Donations and Stakeholder Engagement

Chengdu Ito-Yokado supports education and assists needy families. For example, since 2007, we have selected four elementary schools and donated necessary equipment to improve school facilities and equipment. We actually visited those four schools and donated stationery, teaching materials, and sports equipment to economically disadvantaged children in response to the schools' requests. In addition, we also visit local families in need, people with disabilities, and elderly people living alone at each seasonal milestone to donate daily necessities. We also continue to donate to Sichuan University every year, and 2021 was our 24th donation.

In 2021, on Children's Day, June 1, Chairman Tsugumi Ko delivered the donated items as a representative of the company and visited Pengzhou Tongji Lantian Elementary School to participate in the "Mobile Children's Palace" class. The "Mobile Children's Palace" project is a collaboration between Chengdu Ito-Yokado and the Chengdu Next Generation Foundation. The goal of the project is to introduce the know-how of the "Chengdu Youth Palace" to rural schools in the suburbs of Chengdu, where there is a high concentration of out-of-school children\*1 and children in flux\*2, so that the children can receive the same level of education as in urban areas. By 2021, the "Mobile Children's Palace" project has been implemented in two Friendship Elementary Schools, with more than 1,000 teachers and students.

In July 2021, torrential rains in Zhengzhou, Henan Province, China, caused serious flood damage. Chengdu Ito-Yokado immediately joined forces with the Chengdu Next Generation Foundation and four other companies to donate 1 million yuan (approximately 18 million yen) to support youths in the affected areas, and also provided a total of 10,000 sanitary and household items. In November of the same year, the Chengdu Municipal Chenglong Street Office requested us to deliver relief supplies in response to the re-spread of the new coronavirus infection in Chengdu. We also donated 800,000 yuan (approximately 14 million yen) for other social contribution activities.

\*1 Children left behind when both parents go away for work

\*2 Children who live with migrant parents but do not have a local family register and cannot receive adequate education



Visit to Pengzhou Tongji Lantian Elementary School



Packed and delivered 10,000 hygiene and daily living products to Zhengzhou



Donation of relief supplies to the Chenglong Road Office (Ito Plaza Store)

## Volunteer Activities

On the third Wednesday of every month, Chengdu Ito-Yokado employees at every store clean up the areas around the stores. On traditional Chinese holidays such as Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival, the company provides comfort gifts to isolated elderly and economically disadvantaged people in the communities surrounding its stores.

At Hua Tang Yokado, employees take the initiative in beautifying the city by making clean-up activities a daily routine.



Cleanup activities



Providing comforts to clean-up crews

## Promise to Employees



### Store Management by Local Employees

All Chengdu Ito-Yokado and Hua Tang Yokado Commercial stores have actively promoted local employees since the opening of their stores in China in order to create stores that are rooted in the local community, and Chinese staff are playing an active role in these stores. The percentage of Chinese employees (excluding directors) in management positions is 98.2% at Chengdu Ito-Yokado and 98.3% at Hua Tang Yokado Commercial, with local employees basically running the company. Chengdu Ito-Yokado's stores in local cities (Meishan/Leshan) employ a large number of local personnel, accounting for 87%.

We have also actively promoted women. The percentage of women in executive positions is 59.9% at Chengdu Ito-Yokado, and five of its 10 stores have female store managers. The percentage of female managers at Hua Sugar Yokado is 47.2% (excluding directors), and the store manager of the Asian Village store is also a woman.

## Employee Data (As of the end of December 2021)

	Chengdu Ito-Yokado	Hua Tang Yokado Commercial
<b>No. of employees</b>	2,919	163
<b>No. of part-time employees</b>	76	24
<b>Ratio of Chinese employees in management positions</b>	98.2%	97.5%
<b>No. and ratio of women in management positions (excluding executives)</b>	374 (59.9%)	50 (47.2%)
<b>No. of female team leaders (ratio of female team leaders)</b>	222 (61.0%)	15 (30.0%)
<b>No. of female section managers (ratio of female section managers)</b>	107 (63.3%)	12 (24.0%)
<b>No. of female division managers (ratio of female division managers)</b>	28 ( - %)	12 (24.0%)
<b>No. of female corporate officers (ratio of female corporate officers)</b>	4 ( - %)	0 (0.0%)
<b>No. of employees with disabilities</b>	51 (1.7%)	9 (5.5%)

## CSR Education

In FY2020, special attention was devoted to the reduction of plastics. In order to switch to degradable plastic shopping bags, responsible personnel from Chengdu Ito-Yokado attended the 21th IE Expo China, a trade fair for environmental technology, as well as a degradable forum organized by the China Chain Store & Franchise Association, to obtain information on such issues as the domestic production of degradable plastics and degradable standards. In addition, the company produced an educational video for internal use to deepen the understanding of employees and informed customers through posters displayed in stores and in-store broadcasts. Chengdu Ito-Yokado also actively publicized its use of degradable plastics outside the company.

In November 2020, Hua Tang Yokado Commercial and Chengdu Ito-Yokado jointly switched to shopping bags, called Super-Bags, made from degradable plastic. These degradable Super-Bags are provided at 2.0 yuan per bag, 6.7 times more than the previous shopping bags, which cost 0.3 yuan per bag for the largest size. At the same time, we are putting a lot of effort into the sale of eco-bags.

## Self-Recommendation Program

In the fiscal year ended February 29, 2016, Chengdu Ito-Yokado began operating a Self-Recommendation Program as a show of respect for the autonomy of employees in order to provide an outlet for their motivation. The program is for employees who have worked for the company for at least one year and allows them to put themselves forward as candidates for the jobs they seek.

Applicants who pass assessments are assigned to their desired workplace after a training period.

## Human Resource Development Programs

Training programs have been enhanced to boost the motivation of local employees and enable them to demonstrate their abilities to the fullest.

Chengdu Ito-Yokado conducted education on improving employees' primary qualification capabilities and workplace operational skills as well as other functional curricula (form production, packaging, food processing, register operation). It uses an online remote education system to facilitate training with enhanced content including at remote sites.

Furthermore, practical skills training sessions are open for all employees to observe if they wish, even if they are not undertaking the training, so they are able to learn directly from the instructor. It also holds in-store operational skills contests and operate a program where on-site customers score employees to select winners, encouraging employees to improve through friendly competition.

In FY2020 Hua Tang Yokado Commercial implemented special education programs on such themes as the Corporate Creed and management philosophy, store assistance, and customer service on three occasions. By having everyone read together the Corporate Action Guidelines at the president's general meetings held every Monday, the company endeavors to increase understanding of its stance. Training related to everyday customer service is implemented using the morning and afternoon assembly. Staff who receive words of praise (including not only full-time employees but also part-time workers, tenant store employees, cleaners, and security guards) are commended at weekly store morning assemblies for all staff, which serves to raise overall motivation.

## Human Resource Development and Training

### Classroom Training

In order to pass on Ito-Yokado's philosophy and develop human resources who are autonomous in the Ito-Yokado way, in 2021, we conducted 625 classroom training sessions in 15 categories under the two major themes of "passing on corporate culture" and "enhancing the quality of human resources," with a total of 9,354 employees participating.

### e-Learning

Chengdu Ito-Yokado launched online education in 2021 as a training method that is easily accepted by a new generation of employees in order to more effectively hand down and thoroughly implement the company's basic philosophy. The content is being reviewed as needed, and new curricula are being added. The training targets all employees, including headquarters and store employees, and a total of 46,660 people have participated.

## Promise Regarding the Environment



### Energy-Saving Initiatives

Chengdu Ito-Yokado, as the first low-carbon scene creation project in Chengdu, has been continuously working on projects such as separation of dry waste for resources, development of environmental infrastructure, and waste recycling under the environmental philosophy of "respect for nature, adaptation to nature, and protection of nature" since 2020. In 2021, it invested 5 million yuan (about 90 million yen) in environmental protection to switch to biodegradable plastic products, using biodegradable materials for plastic bags and disposable tableware. In addition, the company reviewed energy-saving technologies, reduced waste, and reduced food loss / waste, resulting in 3,350 tons of waste reduction and 435 tons of carbon emissions. In recognition of these efforts, the company received an award for being an advanced company in the construction of the "炭惠天府" mechanism in fiscal 2021.

Hua Tang Yokado Commercial manages the temperature inside the store through proper operation of the air conditioning system. It reduce gas and electricity consumption by adjusting air conditioning operation time and air conditioning operation for each area as needed in response to changes in weather and temperature. The company also ask the facility management contractor to take in-depth temperature measurements inside the store to monitor temperature changes as needed and adjust the operating pattern of the air conditioning system. In the backroom of its stores, the number of lights used has been reduced to 50%.

#### Chengdu Ito-Yokado

	FY2019	FY2020	FY2021
Number of stores	9	9	10
Energy consumption (standard coal tons)	13,150	13,553	13,580
Electricity consumption (MWh)	99,836	105,439	107,670
Gas usage (1,000 m <sup>3</sup> )	667	540	316
Water usage (1,000m <sup>3</sup> )	853	888	857

#### Hua Tang Yokado Commercial

	FY2019	FY2020	FY2021
Number of stores	1	1	1
Energy consumption (standard coal tons)	1,549	1,434	1,353
Electricity consumption (MWh)	8,106	7,924	7,912
Gas usage (1,000 m <sup>3</sup> )	380	335	256
Water usage (1,000m <sup>3</sup> )	60	55	63

## Award History (FY2021)

Chengdu Ito-Yokado and Hua Tang Yokado Commercial received the following awards in FY2020 in recognition of their various initiatives.

### Chengdu Ito-Yokado

Names of Award	Presenting Organization
2021 Advanced company for the construction of the "Coal Huei Tianfu" mechanism	Chengdu Energy Conservation and Emission Reduction and Responding to Climate Change Work Guidance Group Office
2021 Best 10 Leader Companies	Chengdu Retailers' Association
2021 Social Value Contribution Award	Chengdu Retailers' Association
Advanced Individuals Leading Sichuan Province's Opening-Up Development	Sichuan Human Resources and Social Security Administration
2021 Advanced Division of Market Surveillance Statistics Business	Sichuan Office of Commerce
2021 Urban Reform and Innovation Award that fully embodies the Chengdu Construction New Development Concept	Chengdu Municipal Committee of the Communist Party of China, Chengdu Municipal People's Government
The 10th (2021) Chengdu Commercial Year Overall Ranking	Chengdu Retailers' Association
2021 Golden Business Best Consumer Word of Mouth Business	Huaxi Metropolitan News Agency

### Hua Tang Yokado Commercial

Names of Award	Presenting Organization
FY2021 Class A Tax Payment Reliability Company	Chaoyang State Taxation Bureau
FY2021 Leading Companies with Safest Production Systems	Chaoyang District Xiaoguan Subdistrict

## Initiatives in China

[Further information about the convenience store business in China can be found here >](#)

# External Recognition and Awards

## Major Recognition Regarding Sustainability (As of September 30, 2022)

Seven & i Holdings has been selected as a constituent of the following ESG indexes.



Dow Jones Sustainability  
Index: Member of DJSI Asia-Pacific.

The Dow Jones Sustainability Index was launched in 1999 as the first global sustainability benchmark. It is offered by RobecoSAM and S&P Dow Jones. The series tracks the stock performance of the world's leading companies in terms of economic, environmental, and social perspectives. Seven & i Holdings has been selected as a constituent of the DJSI Asia Pacific index, which focuses on the Asia-Pacific region.

[Further details about the Dow Jones Sustainability Index can be found here](#)



FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Seven & i Holdings has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

[The FTSE4Good Index Series](#)

[Further details about the FTSE4Good Index Series can be found here](#)



The FTSE Blossom Japan Index is created by global index provider FTSE Russell. The index is designed to measure the performance of Japanese companies demonstrating strong environmental, social and governance (ESG) practices. The FTSE Blossom Japan Index is widely used for creating and evaluating sustainable investment funds and other financial instruments. Seven & i Holdings has been selected as a constituent of the index.

[FTSE Blossom Japan Index](#)

[Further details about the FTSE Blossom Japan Index can be found here](#)



MSCI ESG Leaders Indexes  
Constituent

The MSCI ESG Leaders Indexes are free float-adjusted market capitalization weighted indexes targeting companies that have the highest environmental, social and governance (ESG) rated performance. Seven & i Holdings was given a BBB rating (on a AAA to CCC ratings scale) in the MSCI ESG Ratings.

[Further details about the MSCI ESG Leaders Indexes can be found here](#)

The inclusion of Seven & i Holdings into the MSCI indexes as well as the use of MSCI's logos, trademarks, service marks, and index names do not represent support, recommendation, nor promotion of Seven & i Holdings by MSCI or its affiliates. MSCI indexes are the sole property of MSCI. The names and logos of MSCI and MSCI indexes are trademarks or service marks of MSCI or its affiliates.

## Response to/Participation in External Organizations



The Seven & i Group supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB) to help investors properly assess climate-related risks and opportunities and make investment decisions. We are participating in the TCFD Consortium, which was established to promote efforts by Japanese companies and financial institutions that support the TCFD recommendations, and are studying better information disclosure and dialogue with stakeholders.

[Further details about the TCFD can be found here](#)



To achieve the CO<sub>2</sub> emission reduction target set forth as one of the priority themes of the Environmental Declaration "GREEN CHALLENGE 2050", Seven & i Holdings is participating in the international initiative "RE100", which aims to make the electricity used in business activities 100% renewable energy. In addition, this participation is supported by the Japan Climate Leaders' Partnership (JCLP), a corporate group aiming to realize a sustainable decarbonized society.

[Further details about the RE100 can be found here](#)

## Major Awards in the Fiscal Year Ended February 28, 2022

Recognition or award name	Award sponsor	Reasons for recognition	Recipient
GOOD DESIGN AWARD	Japan Institute of Design Promotion (Public interest incorporated foundation)	The easy-to-understand system of earning common miles for shopping and dining at group stores and the simple, user-friendly design were highly evaluated for their contribution to the business.	Seven & i Holdings Accenture Japan Ltd
70th Nikkei Advertising Awards "Distribution and Service Category, Excellence Award"	Nikkei Inc.	Communicating Sustainability Initiatives "Good for Tomorrow. Connecting and Continuing." The six ads in the series were highly evaluated.	Seven & i Holdings

Recognition or award name	Award sponsor	Reasons for recognition	Recipient
Google Cloud Customer Awards (Retailer)	Google	Seven-Eleven's digital data infrastructure, Seven Central, was recognized as a mechanism that enables data gathered from more than 20,000 world-class stores to be aggregated in the cloud and used in real time.	Seven-Eleven Japan
70th Nikkei Advertising Awards "Distribution and Service Category, Excellence Award"	Nikkei Inc.	The award was given in recognition of the fact that the receipt for shopping during COVID-19 pandemic may be a symbol of "hope" in the lives of customers, and expressed the desire to help them fulfill their "wish list" even in a restrictive and demanding environment. <b>*Three consecutive years of winning the Grand Prize in the category</b>	Sogo & Seibu
15th KIDS DESIGN AWARD designs that contribute to comfortably raising children	Specified non-profit corporation KIDS DESIGN ASSOCIATION	The "Open! Futap Plus," a lid to facilitate smooth removal of wipes, was highly evaluated as an item that shows meticulous attention to detail to make wipes easier to use.	Akachan Honpo Akanbou Company, Ltd.
15th KIDS DESIGN AWARD designs that contribute to comfortably raising children	Specified non-profit corporation KIDS DESIGN ASSOCIATION	The "Futchimaru Umbrella," an umbrella without a dewlap tip that can be used safely by children aged two to three, was highly evaluated for its ingenious shape, which solves concerns about accidents caused by poor visibility or danger such as poking others when infants are given umbrellas.	Akachan Honpo

Recognition or award name	Award sponsor	Reasons for recognition	Recipient
HAPPY WOMAN AWARD 2022 for SDGs (Company Section)	General Incorporated Association HAPPY WOMAN	With the concept of "with akachanhonpo", it aims for a world where people can enjoy pregnancy, childbirth, and child-rearing with peace of mind by "working together". The "with akachanhonpo" co-creation project, which aims for a solution not only by the company itself but also by the partnership, is not limited to the generation raising children, but also contributes to solving issues such as the promotion of female activity and the decrease in the number of families in Japan, and was highly evaluated for its efforts to gain "sympathy from the whole society".	Akachan Honpo

Further information about the award history of the China superstore business can be found [here](#). >

# GREENHOUSE GAS EMISSIONS VERIFICATION STATEMENT



**BUREAU  
VERITAS**

August 31, 2022

Bureau Veritas Japan Co., Ltd.  
System Certification Services Headquarters

Bureau Veritas Japan Co., Ltd. (Bureau Veritas) was engaged by Seven & i Holdings Co., Ltd. (Seven & i) to conduct an independent verification of the greenhouse gas (GHG) emissions reported by Seven & i in its Sustainability Data Book 2022.

## 1. Scope of Verification

Seven & i requested Bureau Veritas to verify, to a limited level of assurance, the accuracy of the following GHG information:

### 1) Scope 1 and Scope 2 emissions:

- CO<sub>2</sub> emissions from energy use through the following store operations within Japan, U.S.A (excluding stores operated by domestic licensees of 7-Eleven, Inc.) and Canada:

Name of company	Number of stores within the scope	Reporting period covered
Seven-Eleven Japan Co., Ltd.	22,139	April 1, 2021 through March 31, 2022
Ito-Yokado Co., Ltd.	133	
York-Benimaru Co., Ltd.	240	
Sogo & Seibu Co., Ltd.	10	
Seven & i Food Systems Co., Ltd.	425	
York Co., Ltd.	102	
THE LOFT CO., LTD.	120	
AKACHANHONPO CO., LTD.	122	
SHELL GARDEN CO., LTD.	22	
Barneys Japan Co., Ltd.	11	January 1, 2021 through December 31, 2021
7-Eleven, Inc.	13,043	

- CO<sub>2</sub> emissions from energy use through the operations of four factories of York-Benimaru Co., Ltd. within Japan for the period of April 1, 2021 through March 31, 2022
- CO<sub>2</sub> emissions from energy use through the operations of one factory and three offices of IY Foods K.K. within Japan for the period of April 1, 2021 through March 31, 2022
- CO<sub>2</sub> emissions from energy use through the operations of four offices (including the head office) and three directly-operated ATMs of Seven Bank, Ltd. for the period of April 1, 2021 through March 31, 2022
- CO<sub>2</sub> emissions from energy use through the operations of the head office, Ito Training Center and Kuki Center of Seven & i Holdings Co., Ltd. for the period of April 1, 2021 through March 31, 2022

### 2) Scope 3 Category 1 emissions:

- GHG emissions from following goods and services purchased by Seven-Eleven Japan Co., Ltd.:

Purchased goods and services	Reporting period covered
Goods sold at stores and Uniforms for store staff	March 1, 2021 through February 28, 2022
Packaging materials used at stores	April 1, 2021 through March 31, 2022

## 2. Methodology

Bureau Veritas conducted the verification in accordance with the requirements of the international standard 'ISO14064-3 (2019): Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements'.

As part of Bureau Veritas' assurance, the following activities were undertaken:

- Interviews with relevant personnel of Seven & i responsible for the identification and calculation of GHG emissions;
- Review of Seven & i's information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of a sample of source data to check accuracy of quantified GHG emissions.

## 3. Conclusion

Based on the verification work and processes followed, there is no evidence to suggest that the GHG emissions assertions shown below:

- are not materially correct and are not a fair representation of the GHG emissions from activities within the scope of work
- are not prepared in accordance with the methodology for calculating GHG emissions established and implemented by Seven & i.

Verified greenhouse gas emissions		
Scope 1 123,766 t-CO <sub>2</sub>	Scope 2 2,847,126 t-CO <sub>2</sub>	Scope 3 Category 1 9,647,904 t-CO <sub>2</sub> e

### 【Statement of independence, impartiality and competence】

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years history in providing independent assurance services. No member of the verification team has a business relationship with Seven & i, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes.

## Group Environmental Data

	Unit	FY2019	FY2020	FY2021
CO <sub>2</sub> emissions* <sup>1</sup>	t-CO <sub>2</sub>	2,975,951	2,768,932	2,970,892
scope 1	t-CO <sub>2</sub>	122,391	111,752	123,766
scope 2	t-CO <sub>2</sub>	2,853,560	2,657,180	2,847,126
Electricity consumption in store operations* <sup>2</sup>	GWh	6,793	6,625	7,521
Water usage in store operations* <sup>3</sup>	1,000m <sup>3</sup>	24,695	31,174	31,437

\*1 For FY2019, the data is the total for 12 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, SHELL GARDEN, Life Foods, IY Foods, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Food Systems and 7-Eleven, Inc. From FY2020 onwards, the data is the total value for 15 companies after the addition of Barneys Japan, Seven Bank, and Seven & i Holdings. (Sales of the 15 companies cover 98.4% of the Group's total sales.) For calculation conditions, please see environment-related data recorded in data section of each operating company. With respect to results of third-party audit of CO<sub>2</sub> emissions, please refer to the "Greenhouse Gas Emissions Verification Report."

\*2 The data is the total for 13 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, SHELL GARDEN, Life Foods, IY Foods, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Food Systems, Barneys Japan and 7-Eleven, Inc. (Sales of the 13 companies cover 97.6% of the Group's total sales.) For calculation conditions, please see environment-related data recorded in the data section of each operating company.

\*3 The data is the total for 10 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, SHELL GARDEN, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Food Systems and 7-Eleven, Inc. (Sales of the 10 companies cover 97.1% of the Group's total sales.)

## Group Personnel Data (in Japan)\*<sup>1</sup>

Breakdown of number of employees (as of the end of February 2022)		(persons)	
Full-time employees* <sup>2</sup>	23,376		
Male	16,939	72%	
Female	6,437	28%	
Part-time staff* <sup>3</sup>	39,306		
Male	6,720	17%	
Female	32,586	83%	
Number of employees (full-time employees + part-time staff)	62,682		
Male	23,659	38%	
Female	39,023	62%	
New graduate employees hired	536		
Male	295	55%	
Female	241	45%	
Mid-career employees hired	205		
Male	156	76%	
Female	49	24%	
Turnover (full-time employees)	1,323		
Male	822	62%	
Female	501	38%	

	FY2019	FY2020	FY2021
Average length of service (full-time employees)	16 years 5 months	16 years 6 months	17 years 1 months
Male	17 years 5 month	17 years 3 months	18 years 3 months
Female	13 years 7 months	13 years 8 months	14 years 2 months
Number of full-time employees who took childcare leave (males), (part-time staff)* <sup>4</sup>	1,094 (35) (497)	1,120 (41) (518)	1,088 (53) (445)
Number of full-time employees who took nursing care leave (males), (part-time staff)* <sup>4</sup>	53 (9) (33)	49 (4) (35)	75 (8) (61)
Number of volunteer leave recipients	31	7	10
Percentage of female full-time employees	27.2%	27.4%	28.3%
Number of female managers (percentage)* <sup>5</sup>	2,400 (26.6%)	2,246 (26.3%)	1,911 (24.9%)
Team leader	1,709 (32.4%)	1,571 (32.4%)	1,215 (30.4%)
Section manager	616 (22.3%)	599 (22.1%)	606 (23.3%)
Division manager	75 (7.6%)	76 (8.2%)	90 (8.3%)
Corporate officer* <sup>6</sup>	21 (11.2%)	24 (13.0%)	28 (14.3%)
Percentage of employees with disabilities* <sup>7</sup>	2.96%	2.95%	2.98%
Percentage of paid leave taken	49.2%	50.9%	55.4%
Full-time employee turnover rate	5.4%	5.0%	5.7%

\*1 The data is the total for 8 companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, and Seven Bank. (The sales of the eight companies account for 92.8% of the Group's sales in Japan.)

\*2 The figure includes 1,362 persons reemployed after mandatory retirement.

\*3 Monthly average, with 8 hours/day counted as one employee. Including contractual employees.

\*4 Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

\*5 The data is the total for 8 companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, and Seven Bank. The percentage of team leaders or higher positions, excluding corporate officers.

\*6 The percentage of female corporate officers is as of May 31 of the following fiscal year.

\*7 The percentage for the fiscal year is as of June 1 of the following fiscal year. The percentage of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terube, Ltd. (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

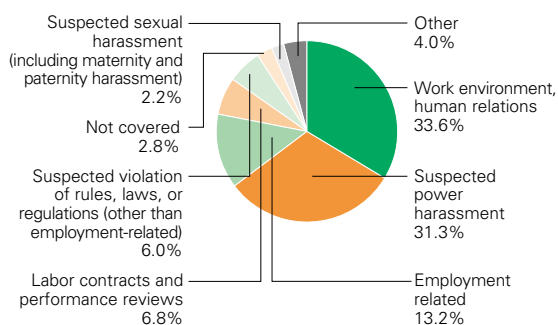
## Data from Groupwide Helplines for Employees

Seven & i Holdings has established the Groupwide Employee Helpline, the internal whistleblowing system for employees, with a third-party organization as a part of the group-wide internal controls to receive grievances and consultation requests from employees.

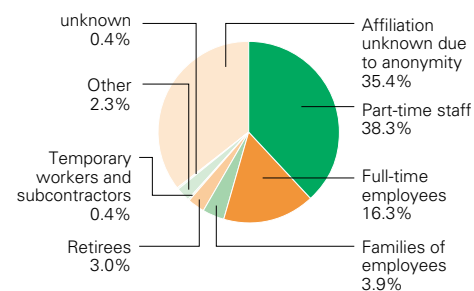
This system applies to both employees of Seven & i Holdings and those of consolidated subsidiaries in Japan. The group-wide system is working to proactively prevent, quickly discover, promptly correct and stop reoccurrences of any wrong behavior that would result in a loss of public trust.

	FY2019	FY2020	FY2021
Number of reports	1,208	1,144	1,024

Breakdown of reports by category for FY2021



By user category



# Seven-Eleven Japan Co., Ltd.

Website: <https://www.sej.co.jp/social/index.html> (in Japanese)

Number of stores as of fiscal year ended February 28,2022: 21,205

## Create a livable society with local communities through various customer touchpoints

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Shopping Support				
	<ul style="list-style-type: none"> <li>Cumulative number of mobile stores: 115</li> <li>Survey viability of business continuity in areas and expand number of mobile stores</li> </ul>	<ul style="list-style-type: none"> <li>Cumulative number of mobile stores: 110</li> <li>Prioritized improvement in sales at existing stores providing mobile stores over expansion of number of new mobile stores</li> </ul>	△	<ul style="list-style-type: none"> <li>Cumulative number of mobile stores: 130</li> <li>Expand the number of new mobile store launches while improving sales at existing stores</li> </ul>
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> <li>Aim to collaborate on information sharing with prefectural police and local police stations on training drills and other areas to achieve the franchise store participation rate for crime prevention drills and seminars of 50% or more</li> </ul>	<ul style="list-style-type: none"> <li>There was no headway in implementation of crime prevention drills due to the COVID-19 pandemic, with participation rate of franchise stores in crime prevention drills and seminars remaining at 30.1%</li> </ul>	△	<ul style="list-style-type: none"> <li>Strengthen cooperation with the police, hold drills aimed at prevention of special frauds which are on the rise, and verification of age of customers when selling alcoholic beverages and tobacco. Expand the participation rate of franchise stores in crime prevention drills to more than 50%</li> </ul>
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> <li>Stores newly adopting barrier-free design (installing wheelchair-accessible toilets): 150</li> <li>Number of stores newly or additionally installed with guard pipes to prevent vehicle "dive" accidents: 200</li> </ul>	<ul style="list-style-type: none"> <li>Stores newly adopting barrier-free design (installing wheelchair-accessible toilets): 141</li> <li>Number of stores newly or additionally installed with guard pipes to prevent vehicle "dive" accidents: 232</li> </ul>	○	<ul style="list-style-type: none"> <li>Stores newly adopting barrier-free design (installing wheelchair-accessible toilets): 23</li> <li>Number of stores newly or additionally installed with guard pipes to prevent vehicle "dive" accidents: 117</li> </ul>

## Provide safe, reliable, and healthier merchandise and services

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>Maintain NDF-FSMS certification for all daily foods manufacturing factories</li> <li>Aim to further develop the audit program</li> </ul>	<ul style="list-style-type: none"> <li>Implemented NDF-FSMS surveillance at all daily foods manufacturing factories</li> <li>Revised the contents of NDF-FSMS and held briefing sessions</li> </ul>	○	<ul style="list-style-type: none"> <li>Eliminate occurrence of major accidents</li> <li>Strengthen the quality assurance system by promoting DX</li> </ul>

## Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Measuring appropriately the environmental impact				
	<ul style="list-style-type: none"> <li>Further cultivate the EMS operational framework and respective initiatives based on ISO 14001 and reduce the number of items pointed out (unacceptable items/improvement opportunities) compared to the previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>Reduced the number of items indicated by periodic ISO 14001 audits compared to the previous fiscal year (no unacceptable items detected)</li> </ul>	○	<ul style="list-style-type: none"> <li>Expand scope of application of ISO14001 to Seven-Eleven Okinawa</li> </ul>
Reducing waste and developing a circular economy				
	<ul style="list-style-type: none"> <li>Continue efforts to reduce plastic bag usage by cooperation with franchise stores and customers as per the previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>Reduce plastic bag usage per store to a level below the previous fiscal year</li> </ul>	○	<ul style="list-style-type: none"> <li>Reduce petroleum-derived single-use plastics and replace them with environmentally friendly materials</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>Annual number of employees who pass the Eco Test: 150 (100% of managers pass)</li> <li>Inform those who take the Eco Test about environment-related volunteer activities</li> <li>Conduct e-learning for all employees to raise environmental awareness</li> </ul>	<ul style="list-style-type: none"> <li>Annual number of employees who pass the Eco Test: 152 (100% of managers pass)</li> <li>Conducted awareness-raising programs on volunteer activities as part of employee training</li> <li>Conduct e-learning for all employees in June 2021</li> </ul>	△  ○  ○	<ul style="list-style-type: none"> <li>Annual number of employees who pass the Eco Test: 150</li> <li>Inform those who take the Eco Test about environment-related volunteer activities</li> <li>Conduct e-learning for all employees to raise environmental awareness</li> </ul>

### Environmental Data

	Unit	FY2019	FY2020	FY2021
CO <sub>2</sub> emissions**1*2*3	t-CO <sub>2</sub>	1,501,795	1,417,701	1,452,270
CO <sub>2</sub> emissions from store operations (per store)**1*3	t-CO <sub>2</sub>	1,281,810 (61.4)	1,198,890 (56.7)	1,235,126 (55.8)
CO <sub>2</sub> emissions from logistics (per store)**1*4	t-CO <sub>2</sub>	217,811 (10.4)	216,285 (10.2)	214,924 (10.1)
Electricity consumption in store operations (per store)**1*3	GWh (MWh)	2,874 (138)	2,795 (132)	2,852 (129)
Water usage in store operations**1*5	1,000m <sup>3</sup>	13,176	11,709	12,192
Plastic bag usage per store (by weight)	t	0.94	0.50	0.41
Waste disposal (recycling rate)*6	t (%)	384,028 (61.6)	352,541 (60.9)	304,368 (66.7)
Food waste recycling rate*7	%	42.5	46.6	50.3

\*1 The period of the calculations was from April to March.

\*2 The data represents CO<sub>2</sub> emissions stemming from the use of energy for store, Head Office and logistics center operations and by delivery trucks.

\*3 Calculations are based on estimated electricity consumption for stores where data was not available.

\*4 The data represents CO<sub>2</sub> emissions stemming from the use of energy for distribution center operation and by delivery trucks.

\*5 Calculations are performed by estimating water usage for which meter reading data could be confirmed.

\*6 Waste disposal and recycling rate excluding food waste. Calculations are estimated by the amount of waste from the stores in Tokyo, etc. The period of the calculations was from April to March. The amount of food waste was calculated based on the standard of \*7.

\*7 Calculated based on the reports submitted by food recycling companies. The period of the calculations was from April to March.

## Achieve a society in which diverse people can actively participate

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Development of human resources				
	<ul style="list-style-type: none"> <li>Introduce an optional (voluntary) e-learning system. Provide content topics which allow wide-ranging knowledge acquisition rather than mandatory content only</li> <li>Redesign e-learning and regular training for employees working at stores and continue awareness raising and education</li> </ul>	<ul style="list-style-type: none"> <li>Participation of a total of 12,482 employees in the optional (voluntary) e-learning system</li> <li>Newly established e-learning and web-training programs for store employees</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Provide e-learning in three types of frameworks: targeting all employees, by department, and optional (voluntary) system. Establish a system to actively share the know-how of each department</li> <li>Further expansion of open web seminars. Build an environment that makes learning even easier, by switching part of the training for store employees to the web</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>Expand scope of the working from home (WFH) arrangement. Consider introduction of allowances for out-of-office work, staggered work hours, and WFH toward providing the infrastructure for more comfortable work environments</li> </ul>	<ul style="list-style-type: none"> <li>Status of employees' implementation of work from home: 38.6%</li> <li>Expanded operations to enable employees to work from locations other than their homes when working from home, and to allow them to use staggered work hours together with telecommuting</li> <li>Implemented consideration of WFH benefits</li> </ul>	<p>○</p> <p>○</p> <p>△</p>	<ul style="list-style-type: none"> <li>Increase the use of childcare leave by male employees</li> <li>Reduce employees' overtime hours</li> <li>Promote awareness-raising activities such as study sessions for managerial positions targeting supervisors who manage employees working shorter hours</li> </ul>
Assuring occupational safety and health				
	<ul style="list-style-type: none"> <li>Continue to implement mental health training for assistant store managers and newly-appointed managers</li> <li>Continue to disseminate information on preventing workplace accidents in advance. Reduce number of accidents in comparison with the previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>Continue to implement mental health training for assistant store managers and newly-appointed managers</li> <li>Continue to disseminate information on preventing workplace accidents in advance. Reduce number of accidents in comparison with the previous fiscal year                             <ul style="list-style-type: none"> <li>Number of workplace accidents: 11.0/month (+ 1.9/month)</li> <li>Number of commuting accidents: 3.0/month (-1.8)</li> </ul> </li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Continue to implement mental health training for assistant store managers and newly-appointed managers</li> <li>Continue to disseminate information on preventing workplace accidents in advance. Reduce number of accidents in comparison with the previous fiscal year</li> </ul>
Implementing fair assessment and treatment of employees				
	<ul style="list-style-type: none"> <li>Revise the design and operation of the evaluation system to achieve high levels of on-site employee satisfaction. Continue to implement e-learning to deepen understanding of evaluation system</li> </ul>	<ul style="list-style-type: none"> <li>Partially revised action plan evaluation to assess the work processes of on-site employees (OFC), and started operations in September 2021</li> <li>Partially revised the performance evaluation of the operations headquarters and began implementation sequentially for each level of hierarchy from September 2021</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Improve operational efficiency by revising design and execution of the new evaluation system, and plan to start operations in FY2023</li> <li>Conduct training targeting evaluators and evaluatees to promote understanding of the evaluation system and its operation</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>Employment of people with disabilities                             <ul style="list-style-type: none"> <li>Percentage of employees with disabilities: 2.40%</li> <li>Counselor for people with disabilities: 100</li> <li>In-house job coach: 14</li> <li>Promote managers understanding by awareness raising activities</li> </ul> </li> <li>Promotion of active participation of female employees                             <ul style="list-style-type: none"> <li>Percentage of female managers: 25.0%</li> <li>Continue to encourage participation in career development training to support growth</li> </ul> </li> <li>Draft guidelines on workstyles for persons working reduced hours (sales persons) and announce in-house</li> <li>Update the "Workstyle Reform Portal" on the Intranet as a platform for a work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>Employment of people with disabilities                             <ul style="list-style-type: none"> <li>Percentage of employees with disabilities: 2.34%</li> <li>Counselor for people with disabilities: 96</li> <li>In-house job coach: 14</li> <li>Implemented normalization support training for managers in charge of subordinates with disabilities</li> <li>Conduct training four times a year for employees with intellectual and developmental disabilities to support their independence and their acquisition of business etiquette</li> </ul> </li> <li>Promotion of active participation of female employees                             <ul style="list-style-type: none"> <li>Percentage of female managers: 23.6%</li> </ul> </li> <li>Draft guidelines on workstyles for persons working reduced hours (salespersons) and announce in-house</li> <li>The "Workstyle Reform Portal" on the intranet introduces examples of various workstyles</li> </ul>	<p>×</p> <p>×</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Employment of people with disabilities                             <ul style="list-style-type: none"> <li>Percentage of employees with disabilities: 2.40%</li> <li>Counselor for people with disabilities: 100</li> <li>In-house job coach: 15</li> <li>Promote understanding of the importance of continued support for active participation of diverse human resources</li> </ul> </li> <li>Promotion of active participation of female employees                             <ul style="list-style-type: none"> <li>Percentage of female managers: 25.0%</li> </ul> </li> <li>Encourage male employees to avail of childcare leave                             <ul style="list-style-type: none"> <li>Percentage of male employees taking childcare leave: 13.0%</li> </ul> </li> <li>Utilize not only the intranet but also an online conference platform to provide opportunities to employees nationwide for real-time sharing of their experiences such as workstyles after childbirth</li> <li>Conduct training to improve knowledge about women's health, and promote mutual understanding</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2022)		(persons)
Full-time employees*1		8,739
	Male	6,401
	Female	2,338
Part-time staff*2		2,626
	Male	1,130
	Female	1,496
Number of employees (full-time employees + part-time staff)		11,365
	Male	7,531
	Female	3,834
New graduate employees hired		237
	Male	138
	Female	99
Mid-career employees hired		9
	Male	1
	Female	8

	FY2019	FY2020	FY2021
Average length of service (full-time employees)	9 years 10 months	10 years 8 months	11 years 11 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	316 (20, 5)	341 (23, 1)	365 (36, 1)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	8 (3, 0)	5 (2, 0)	7 (4, 0)
Number of volunteer leave recipients	7	0	2
Number of female managers (percentage)*4	213 (21.7%)	211 (21.7%)	204 (21.1%)
Section manager	206 (24.7%)	201 (24.3%)	196 (23.6%)
Division manager	7 (4.7%)	10 (6.8%)	8 (5.8%)
Corporate officer*5	4 (14.8%)	4 (16.0%)	4 (15.4%)
Percentage of employees with disabilities*6	2.38%	2.35%	2.45%
Percentage of paid leave taken by full-time employees	74.4%	55.1%	66.1%
Frequency rate of workplace accidents	0.54	0.72	1.09
Severity rate of workplace accidents	0.01	0.02	0.03

\*1 The figure includes 116 persons reemployed after mandatory retirement.

\*2 Monthly average, with 8 hours/day counted as one employee. Including contractual employees.

\*3 Persons who took such leave in the applicable fiscal year. (takers continuing leave from the previous year + new takers of leave)

\*4 The percentage of section managers or higher positions, excluding corporate officers.

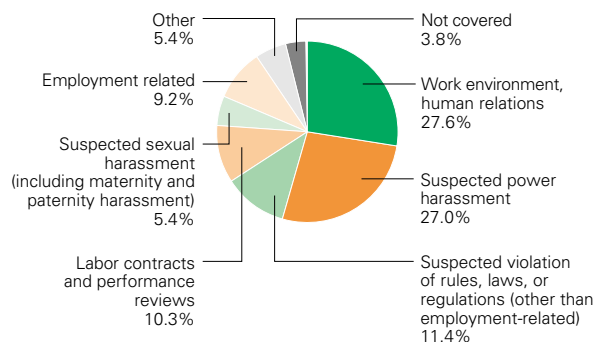
\*5 The percentage of female corporate officers is as of May 31 of the following fiscal year.

\*6 The percentage for the fiscal year is as of June 1 of the following fiscal year.

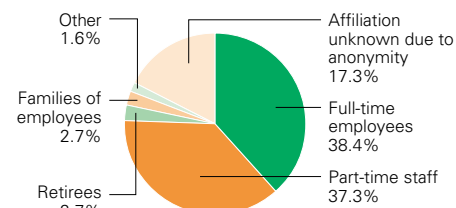
## Data from Helpline for Employees

We strive to manage risk and comply with laws and regulations as a company, by appropriately operating an internal reporting system aimed at preventing violations by employees, their early detection and correction and preventing recurrence of violations. In FY2021, we conducted a survey of all employees regarding their awareness of the workplace environment and enhanced employees' aware of the internal whistleblower hotline through committee meetings held at each regional office. In addition, training that aimed at preventing harassment was held specifically for managers. This is complemented by awareness raising efforts to allow all employees to acquire knowledge and foster awareness using e-learning.

### Breakdown of reports by category for FY2021 Reports received: 185 (up 22.5% from the previous fiscal year)



### By user category



## Create an ethical society through dialogue and collaboration with customers

### FY2021 Targets/Results and FY2022 Targets

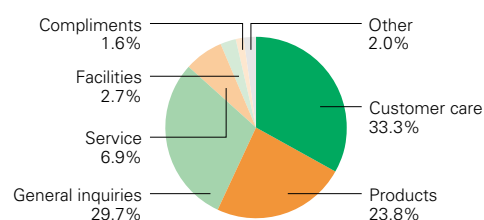
○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Responding sincerely to customers' opinions				
	<ul style="list-style-type: none"> <li>Analyze comments from customers about customer service and implement counselling at franchise stores. Improve on problematic areas through persons in charge of operations and the franchise store training section</li> <li>Reflect customer feedback which lead to improvements in products and customer service utilize as on-site initiatives to improve customer satisfaction levels</li> </ul>	<ul style="list-style-type: none"> <li>While promptly sharing points regarding customer service with the district manager and operation field counselors, we shared projects that may become company-wide problems with OP headquarters M and related department</li> <li>Started regular meetings with the Product Department in June 2021 for continued sharing of customer feedback. Promoted measures to lead to early improvement in customer service as well, such as testing the information sharing flow</li> </ul>	△	<ul style="list-style-type: none"> <li>Improve customer satisfaction by improving the quality of customer service, both through phone and email</li> <li>Continue to develop and improve products based on customer feedback, and strengthen initiatives for proper utilization of customer feedback</li> </ul>

### Data from Customer Support

The customer support is endeavoring to face up squarely to customers' opinions and respond sincerely. We are committed to ensuring careful attention to our customers' voice and communications via email as well as phone. We promptly share the opinions, suggestions and requests received with top management and relevant departments with the aim of solving issues and realizing a "convenient and close" service for our customers.

### Breakdown of inquiries by category for FY2021 Inquiries received: 187,275 (down 1.5% from the previous fiscal year)



## Disaster Assistance

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Providing support for disasters				
	<ul style="list-style-type: none"> <li>Consolidate newly-drafted business continuity plan and improve internal capacities for disaster response through 2 rounds of disaster response training and all-company disaster prevention and inspection day</li> <li>Implement an exchange of opinions with respective government agencies and local authorities regarding disaster response, and further strengthen collaborations</li> <li>Plan to implement appropriate community support in the event of large-scale disasters based on newly-drafted business continuity plan</li> </ul>	<ul style="list-style-type: none"> <li>Consolidated newly-drafted business continuity plan and improved internal capacities for disaster response through 2 rounds of disaster response training and all-company disaster prevention and inspection day</li> <li>Implemented an exchange of opinions with respective government agencies and local authorities regarding disaster response, and further strengthened collaborations</li> <li>Implemented appropriate community support in the event of large-scale disasters based on newly-drafted business continuity plan</li> </ul>	○	<ul style="list-style-type: none"> <li>Consolidate the business continuity plan and improve internal capacities for disaster response through multiple disaster response training at headquarters and regional offices and all-company disaster prevention and inspection day</li> <li>Conduct joint research meetings on large-scale disaster response with respective government agencies and local authorities and several convenience store companies under the auspices of the Japan Franchise Association, and further strengthen cooperations</li> <li>Plan to implement appropriate community support in the event of large-scale disasters based on the business continuity plan</li> </ul>

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

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Product development focused on senior citizens				
	<ul style="list-style-type: none"> <li>Expand the lineup of anti-viral and anti-bacterial products in response to the risk of severe disease from COVID-19 among the elderly. Promote the development of private-brand products with anti-viral, anti-bacterial, and anti-microbial specifications such as socks, bottoms, and canes as well as waterproof sheets and pajamas and reinforce the lineup with national brand and other products</li> <li>Product development aimed at responding to consumer problems in size, body shape, symptoms, etc., in addition to basic functions needed for the elderly</li> </ul>	<ul style="list-style-type: none"> <li>Expanded lineup of products with anti-viral, anti-bacterial, and anti-microbial treatment with a focus on senior wear &lt;Senior Pajamas&gt; <ul style="list-style-type: none"> <li>Percentage of products with anti-viral treatment: Approx. 50%</li> <li>Percentage of products with anti-bacterial treatment: Approx. 50%</li> </ul> </li> </ul>	○	<ul style="list-style-type: none"> <li>Encourage use of the Peace of Mind Support Catalog to propose shopping items that support the needs of both care givers and care recipients</li> </ul>
	<ul style="list-style-type: none"> <li>Developed products sales ratio: 25%</li> </ul>	<ul style="list-style-type: none"> <li>Proposed developed products intended to eliminate customer concerns through senior wear (socks, pajamas, underwear) and items for going out (canes, push carts)</li> <li>Developed products sales ratio: 23.5%</li> </ul>	△	<ul style="list-style-type: none"> <li>In addition to basic functions for seniors, develop products that eliminate customer concerns relating to size, body shape, symptoms, etc. and expand the ratio of developed products that incorporate bright and fashionable elements</li> <li>Developed products sales ratio: 25%</li> </ul>
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> <li>Reinforce collaboration between individual stores and local police stations</li> <li>Cooperate with regional crime prevention events and other events held by police stations</li> </ul>	<ul style="list-style-type: none"> <li>Cooperated in joint patrols with local police stations and distribution of flyers and holding educational events to prevent bank fraud, bicycle theft, and other crime</li> </ul>	○	<ul style="list-style-type: none"> <li>Cooperate with regional crime prevention and other events held by local police stations with jurisdiction over each store</li> <li>Hold in-store crime prevention drills in cooperation with local police stations</li> </ul>

## Provide safe, reliable, and healthier merchandise and services

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Development of human resources (food-related departments)				
	<ul style="list-style-type: none"> <li>Conduct "intensive training for employees transferred to fresh food departments" twice annually, in the first and second halves, with 40 employees participating each time for a total of 80 employees. Further develop training systems in line with management strategies and personnel policy. Provide training and human resources development with a sense of reassurance for transferees and persons who accept them</li> </ul>	<ul style="list-style-type: none"> <li>Conducted "intensive training for employees transferred to fresh food departments," with 37 employees participating in the first half and 25 participating in the second half for a total of 62 employees. Further developed training systems in line with management strategies and personnel policy. Provided training and human resources development with a sense of reassurance for transferees and persons who accept them</li> </ul>	○	<ul style="list-style-type: none"> <li>Dispatch food development personnel to culinary schools. Develop human resources who can propose new products and menu items from an overall perspective of food</li> <li>Conduct "intensive training for employees transferred to fresh food departments" as appropriate in accordance with company policy. Provide a program that enables employees who transfer from different departments to find their interests and gain satisfaction working with perishable foods</li> </ul>
	<ul style="list-style-type: none"> <li>Produce, organize, and centrally manage training manuals including video manuals and create a cloud-based training system that enables all employees to confirm matters and undergo training whenever needed</li> </ul>	<ul style="list-style-type: none"> <li>Produced, organized, and centrally managed training manuals including video manuals and created a cloud-based training system that enables all employees to confirm matters and undergo training whenever needed</li> </ul>	○	<ul style="list-style-type: none"> <li>Create video tools that facilitate learning by watching for general education and for individual product categories and make them available to all employees. Use in combination with in-person training to enhance pre- and post-learning and improve work acquisition rates</li> </ul>
	<ul style="list-style-type: none"> <li>Manage the new training system using individual IDs and provide training opportunities that allow employees to proceed at their own pace</li> </ul>	<ul style="list-style-type: none"> <li>Managed the new training system using individual IDs and provided training environments that allow employee to proceed at their own pace</li> </ul>	○	
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>Number of complaints regarding food items: The FY2020 target was not achieved, so the target for the prior year was maintained and efforts were made to reduce complaints by 20% from the previous fiscal year</li> <li>The Vegetables &amp; Fruits Department is set as a focused department, and "fruit" is a focused category to reduce food item freshness problems by 20% from the previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>Number of complaints regarding food items: 26% decrease over previous fiscal year</li> <li>Number of complaints concerning "change in quality" for food products overall: 23% decrease over previous fiscal year</li> </ul>	○	<ul style="list-style-type: none"> <li>Number of complaints regarding food items: 20% decrease over previous fiscal year</li> <li>Number of complaints concerning "change in quality" for food products overall: 20% decrease over previous fiscal year</li> </ul>
Providing products and services that contribute to customer health				
	<ul style="list-style-type: none"> <li>Develop boxed lunches with consideration for health including low-sodium and low-calorie options <ul style="list-style-type: none"> <li>Expand sales of such items to 10% of total boxed lunch's sales</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Percentage of sales of boxed lunches with consideration for health: 5.6%</li> </ul>	△	<ul style="list-style-type: none"> <li>Percentage of sales of boxed lunches with consideration for health: 5.4%</li> </ul>

## FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>Update approx. 68,000 LEDs at 80 stores</li> <li>Switch approx. 3,000 exterior floodlights and mercury lamps to LEDs at 80 stores</li> <li>Install solar panels at 3 stores</li> <li>Conduct a test installation of an AI-controlled system for air conditioning and heat sources at 1 store</li> <li>Implement RE100 at the Ario Kameari store (the first off-site PPA in Japan)</li> <li>Plan solar carport installation</li> </ul>	<ul style="list-style-type: none"> <li>Updated LEDs at 78 stores</li> <li>Updated at 21 stores</li> <li>Updated emergency lighting to LEDs at 42 stores</li> <li>0 stores</li> <li>Not introduced</li> <li>Implemented RE100 starting in April</li> <li>Not introduced</li> </ul>	○ ○ ○ × × ○ ×	<ul style="list-style-type: none"> <li>Switch downlights to LEDs at 58 stores</li> <li>Install solar panels at 3 stores</li> <li>Test an AI-controlled system for air conditioning and heat sources at 1 store</li> <li>Look into the introduction of farming-type solar power generation</li> <li>Discuss installation of a solar carport at 1 store</li> <li>Test installation of waterless toilets at 1 store</li> </ul>
Reducing waste and developing a circular economy				
	<ul style="list-style-type: none"> <li>Food loss and waste: down by 33% from FY2013</li> <li>Food waste recycling rate: 65.0%</li> <li>Encourage Seven Farms initiatives <ul style="list-style-type: none"> <li>Expand acquisition of JGAP and other certification</li> <li>Reduce food losses by using out-of-spec products. Provide processed foods that use sustainable materials (circular agricultural products)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Food loss and waste: down by 35.2% from FY2013</li> <li>Food waste recycling rate: 66.9%</li> <li>Encouraged Seven Farms initiatives <ul style="list-style-type: none"> <li>Number of farms with JGAP certification: 11</li> <li>Used out-of-spec items in some products such as dressing and pickles</li> </ul> </li> </ul>	○ ○ ○	<ul style="list-style-type: none"> <li>Food loss and waste: down by 35% from FY2013</li> <li>Food waste recycling rate: 66%</li> <li>Encourage Seven Farms initiatives</li> </ul>
Promoting a circular economy				
	<ul style="list-style-type: none"> <li>Increase number of the stores with collection boxes permanently installed for food drive activities to 40</li> <li>Promote PET bottle collection (21 t/year by each collection machine)</li> <li>Down collection <ul style="list-style-type: none"> <li>Collect down futons and down jackets at target stores and promote development of products that reuse the recovered down</li> <li>Number of items collected: 1,300 (up 34% from the previous fiscal year, 968 items were collected in the previous fiscal year)</li> </ul> </li> <li>Umbrella collection <ul style="list-style-type: none"> <li>Implement an umbrella replacement campaign where one unnecessary umbrella is collected from customers for each umbrella purchased. Recycle the collected umbrellas and encourage measures to make them into new products</li> <li>Number of items collected: 15,000</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Number of stores with collection boxes permanently installed: 44 (as of February 28, 2022)</li> <li>Number of bottles collected: Approx. 119.23 million</li> <li>Number of down products collected: 2,531</li> <li>Implemented clothing replacement campaign <ul style="list-style-type: none"> <li>Implemented measures such as collecting clothing (women's, men's, and children's clothing) and converting them into products</li> <li>Number of items collected: 193,015 (as of February 28, 2022)</li> <li>Issued 260,000 coupons in October 2022 (use rate: 13.5%)</li> </ul> </li> <li>Implemented an umbrella replacement campaign <ul style="list-style-type: none"> <li>Number collected: 14,090 (as of February 28, 2022)</li> </ul> </li> </ul>	○  ○ ○  △	<ul style="list-style-type: none"> <li>Increase number of the stores with collection boxes permanently installed for food drive activities to 70</li> <li>Encourage in-store collection of PET bottles</li> <li>Down collection <ul style="list-style-type: none"> <li>Increase collection of down futons and jackets with at least 50% down</li> </ul> </li> <li>Implement clothing replacement campaigns <ul style="list-style-type: none"> <li>June: new campaign</li> <li>3R Promotion Month (October): Clothing and umbrella campaigns</li> <li>Also plan collection of bottles, towels, and other products</li> </ul> </li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>Number of employees who pass the Eco Test (passing rate): 1,000 (targeted test takers as of June 2021: 1,194) (90%)</li> <li>Achieve 100% participation in e-learning to gain understanding of and promote the GREEN CHALLENGE 2050</li> </ul>	<ul style="list-style-type: none"> <li>Number of employees who pass the Eco Test <ul style="list-style-type: none"> <li>Cumulative total: 2,942 as of April 30, 2022</li> <li>(824 persons had not passed as of February 2021)</li> </ul> </li> </ul>	×	<ul style="list-style-type: none"> <li>Increase the Eco Test pass rate</li> </ul>
Collaboration with NPOs, NGOs, and other organizations				
	<ul style="list-style-type: none"> <li>Use store infrastructure to cooperate with food drives that support the elderly, children, the impoverished, and others. Promote community welfare and reduce food losses through the donation of goods</li> <li>Stores with food drive collection boxes permanently installed: 40</li> </ul>	<ul style="list-style-type: none"> <li>Stores with food drive collection boxes permanently installed <ul style="list-style-type: none"> <li>Expanded to 44 stores (as of February 28, 2022)</li> </ul> </li> </ul>	○	<ul style="list-style-type: none"> <li>Stores with food drive collection boxes permanently installed <ul style="list-style-type: none"> <li>Plan for expansion to 70 stores</li> </ul> </li> </ul>

Sustainable procurement of raw materials				
	<ul style="list-style-type: none"> <li>Expand development of organic produce in the lineup of Traceable Vegetables with a Face of the Producer               <ul style="list-style-type: none"> <li>34 items in FY2020 plus 50 items in FY2021</li> <li>Increase stores with organic produce sections from about 30 to 80 by December 2021</li> </ul> </li> <li>Raise the use rate of raw materials ensured to be sustainable by expanding livestock products with JGAP certification (June 2021: Hokkoku-yongenton pork; September: Magokoro-tamago eggs; November: Tochigi Haga-gyu beef, Tokachi herb-gyu beef, Oshyan-ton pork)</li> <li>Raise the use rate of raw materials ensured to be sustainable by expanding handing of in-store processed foods (sushi and deli) by using fisheries products with MEL certification (May 2021: sweetfish; June: silver salmon; July: summer yellowtail; September: fresh autumn salmon; December: oyster)</li> <li>Acquire MSC and ASC CoC certification (October 2021)</li> <li>Expand the lineup of products that use recycled PET material (develop successor products to Seven Premium Body Cooler, dress shirts, and eco-umbrellas)</li> <li>Expand the lineup of environmentally-conscious products, such as recycled down, organic cotton, and water-saving bottoms, and sell products that use RENU recycled polyester material (December 2021: Good Fit Pants)</li> </ul>	<ul style="list-style-type: none"> <li>Organic produce development: 25 items Number of stores with organic produce areas: Due to the COVID-19 pandemic, production site visits could not be conducted, and only 73 stores have such areas</li> <li>Due to the COVID-19 pandemic, advance confirmation by instructions and final confirmation by reviewers were not possible, causing delays in progress. Planned expansion of production areas was not possible</li> <li>Started sales of summer yellowtail, Traceable Sea Urchin with the Face of the Producer, and Traceable Silver Salmon with the Face of the Producer as MEL certified products</li> <li>Number of products that use recycled PET: 155 product numbers (up 12 product numbers from the previous fiscal year)</li> <li>Following the Seven Premium Body Cooler, dress shirts, and eco-umbrellas, developed new products that use high-quality Turkish organic cotton</li> <li>Number of environmentally-conscious products: Expanded to 57 product numbers</li> <li>Number of products that use RENU recycled polyester material: 35 product numbers</li> </ul>	<ul style="list-style-type: none"> <li>△</li> <li>△</li> <li>○</li> <li>×</li> <li>○</li> <li>○</li> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>Expand percentage of produce sales that are Traceable Vegetables with the Face of the Producer to 35%</li> <li>Expand producers who have acquired JGAP certification to 240</li> <li>Encourage acquisition of GAP instructor qualifications by MDs and SVs</li> <li>Cooperate with pork and egg production areas and business partners to expand JGAP ingredients with a focus on Traceable Meats with the Face of the Producer (Yamagata buta pork, Seven Premium egg, Hokkaido Yongenton pork) *There have been delays in screening and training</li> <li>Begin selling silver salmon from Iwate Prefecture as a Seven Fresh MEL certified product and selling sweet fish as an MEL certified product</li> <li>Acquire CoC certification for in-store processing of MSC and ASC products. Start with Atlantic salmon in the second half of the year</li> <li>Number of products that use recycled PET: 130 product numbers</li> <li>Expand cotton USA products that are eco-friendly materials</li> <li>Develop products that use wind-spun yarn, which reduces CO<sub>2</sub> by using wind power to spin the yarn</li> <li>Number of products that use RENU recycled polyester material: expand to 42 product numbers</li> </ul>

## Environmental Data

	Unit	FY2019	FY2020	FY2021
CO <sub>2</sub> emissions <sup>*1*2*3</sup>	t-CO <sub>2</sub>	414,126	374,997	341,923
CO <sub>2</sub> emissions from store operations <sup>*1*3</sup> (Environmental impact index <sup>*4</sup> )	t-CO <sub>2</sub> (t-CO <sub>2</sub> /(Mm <sup>2</sup> × 1,000 h))	391,680 (100)	353,469 (110)	319,690 (114)
CO <sub>2</sub> emissions from delivery vehicles <sup>*1*3</sup>	t-CO <sub>2</sub>	22,158	21,287	22,002
Electricity consumption in store operations <sup>*1</sup>	GWh	701	645	614
Water usage in store operations <sup>*1</sup>	1,000m <sup>3</sup>	5,842	4,795	4,747
Plastic bag usage (turndown rate) at all the sales floors <sup>*5</sup>	t (%)	1,730 (74.4)	825 (81.7)	595 (80.7)
Waste disposal	t	119,172	105,246	97,147
Food waste recycling rate	%	59.5	64.0	66.9

\*1 The period of the calculations was from April to March.

\*2 The data represents CO<sub>2</sub> emissions stemming from the use of energy for store, Head Office, training center and logistics center operations and by delivery trucks.

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

\*4 CO<sub>2</sub> emissions per (total sales floor area × opening hours).

\*5 Calculated as the weight of plastic shopping bags used on the entire sales floor excluding paper bags

## Achieve a society in which diverse people can actively participate

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Child-rearing support activities				
	<ul style="list-style-type: none"> <li>Maternal and child care counseling service Free child care counseling by midwives and public health nurses organized 5,400 times/year at 105 stores. Respond to 220,000 inquiries, the same as in FY2019 before the COVID-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>Conducted 4,943 times at 104 stores Although the FY2019 level was not achieved, implementation increased compared to FY2020, and responses were made to 130,000 inquiries</li> </ul>	△	<ul style="list-style-type: none"> <li>Some customers refrained from using childcare counseling services to prevent the spread of COVID-19, and as a result, the top priority is satisfying those who need counseling rather than increasing the number of inquiries. Also, raise awareness of the counseling service including cooperation with government agencies.</li> </ul>

## Improve work engagement and environment for people working in Group businesses

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Diversity and Inclusion				
	<ul style="list-style-type: none"> <li>Supporting active roles for women Conduct bottom-up support for female management employees to increase the percentages of female management employees on the section manager level to 15.0% (currently 14.1%) and the team leader level to 32.0% (currently 31.7%)</li> </ul>	<ul style="list-style-type: none"> <li>Section manager level: 15.5%</li> <li>Team leader level: 33.3%</li> </ul>	○	<ul style="list-style-type: none"> <li>Supporting active roles for women Despite concerns that the ratio of female managers will decrease due to store reorganization, maintain the ratio of female management employees at 15.0% on the section manager level and 32.0% on the team leader level</li> </ul>
Achieving a Work-Life Balance				
	<ul style="list-style-type: none"> <li>The percentage of male employees taking childcare leave is at 33% and has been decreasing year by year, so initially seek a 50% with an ultimate target rate of 100%</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of male employees taking childcare leave: 40.2%</li> </ul>	△	<ul style="list-style-type: none"> <li>Achieve 50% of male employees taking childcare leave with an ultimate target of 100%</li> </ul>
Development of human resources (overall)				
	<ul style="list-style-type: none"> <li>Introduce a video service that provides educational content with a focus on business skills, pay a portion of the course fees, encourage employees' willingness to learn independently, and provide opportunities for learning outside the company</li> </ul>	<ul style="list-style-type: none"> <li>Introduced a video learning service with a focus on business management skills; approximately 900 employees voluntarily used the service. Many employees indicated that they are able to use what they learned in the field and in their work, and employee work motivation has improved</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue using the video learning service introduced in the previous fiscal year. Provide opportunities to learn a wide range of general business management skills not limited to in-house work and further encourage self-initiated learning by employees</li> </ul>
Assuring occupational safety and health				
	<ul style="list-style-type: none"> <li>Reduce the total number of work accidents by 10% and number of serious work accidents resulting in 4 or more days of work missed by 10% compared to the previous fiscal year</li> <li>Conduct harassment training by changing the format and continuously implement awareness training for violators of work regulations</li> <li>Reduce annual working hours Total working hours by management employees: No more than 2,000</li> <li>Reduce overtime hours Violations of Japanese Labor Standards Act Article 36: Zero Review details of discussions by store safety and health committees</li> </ul>	<ul style="list-style-type: none"> <li>The number of work accidents was nearly flat The number of accidents decreased, but the number of accidents resulting in missed work did not decrease</li> <li>Continued to conduct harassment training, disclose disciplinary incidents at executive meetings, and raise awareness</li> <li>Total annual working hours by management employees: 1,990</li> <li>The target of zero violations of Japanese Labor Standards Act Article 36 was not achieved</li> </ul>	<p>△</p> <p>○</p> <p>○</p> <p>×</p>	<ul style="list-style-type: none"> <li>Reduce the total number of work accidents by 10% and number of serious work accidents resulting in 4 or more days of work missed by 10% compared to the previous fiscal year</li> <li>Continue disclosing disciplinary incidents and training for managers</li> <li>Reduce annual working hours <ul style="list-style-type: none"> <li>Total working hours by management employees: maintain at less than 2,000 hours</li> <li>Prioritize reducing the working hours of managers and supervisors</li> </ul> </li> <li>Reduce overtime hours Violations of Japanese Labor Standards Act Article 36: Zero</li> </ul>

Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>• Compile a Human Rights Report to facilitate proper knowledge and understanding from the perspectives of respect for human rights and diversity and promoting normalization, disseminate various information, and train employees to act appropriately</li> </ul>	<ul style="list-style-type: none"> <li>• Compiled Human Rights Reports seven times over the year to facilitate proper knowledge and understanding from the perspectives of respect for human rights and diversity and promoting normalization, disseminate various information, and train employees to act appropriately</li> </ul>	○	<ul style="list-style-type: none"> <li>• In accordance with the Seven &amp; i Group Human Rights Policy, continue issuing Human Rights Reports and share information to support accurate awareness and understanding of various human rights issues and our normalization efforts and works to develop employees who are able to respect human rights and diversity</li> </ul>
	<ul style="list-style-type: none"> <li>• Train in human rights awareness for all employees at a new store opening, in addition to level-specific training for new employees and for new managerial appointees</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted level-specific training for new employees and new managerial appointees and human rights awareness training for all employees at new store openings (number of participants: approximately 240)</li> </ul>	○	<ul style="list-style-type: none"> <li>• In accordance with the Human Rights Policy, during level-specific training for new employees and new managerial appointees, share information with more realistic and easy-to-understand examples to raise awareness of the importance of taking the initiative to respect human rights and diversity as employees and executives</li> </ul>
	<ul style="list-style-type: none"> <li>• Percentage of employees with disabilities: 3.18%</li> </ul>	<ul style="list-style-type: none"> <li>• Percentage of employees with disabilities: 3.18%</li> </ul>	○	<ul style="list-style-type: none"> <li>• Percentage of employees with disabilities: 3.20%</li> </ul>
	<ul style="list-style-type: none"> <li>• Assign at least one counselor for people with disabilities to each store</li> </ul>	<ul style="list-style-type: none"> <li>• Placement of counselors for people with disabilities at all stores was not achieved</li> </ul>	×	
	<ul style="list-style-type: none"> <li>• Encourage the employment of seniors</li> <li>• Continue to provide opportunities for active roles by seniors and create environments that facilitate work</li> </ul>	<ul style="list-style-type: none"> <li>• Provided opportunities for learning regardless of age including development of online learning tools, encouraging participation in training, and promotion of correspondence courses</li> </ul>	○	<ul style="list-style-type: none"> <li>• Continue providing opportunities for learning regardless of age, expand educational opportunities, and encourage the employment of seniors</li> </ul>
	<ul style="list-style-type: none"> <li>• Encourage the active roles by foreign employees</li> <li>• Encourage acceptance of foreign technical intern trainees</li> </ul>	<ul style="list-style-type: none"> <li>• Acceptance of foreign technical intern trainees was postponed due to effects of the COVID-19 pandemic</li> </ul>	△	<ul style="list-style-type: none"> <li>• Resume acceptance of foreign technical intern trainees as soon as the environment allows for entry into Japan</li> </ul>
Development of ideal working environment				
	<ul style="list-style-type: none"> <li>• Promote knowledge and information concerning nursing care by holding periodic seminars and other means and expand consultation desks</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically held nursing care seminars and raised awareness regarding nursing care</li> </ul>	○	<ul style="list-style-type: none"> <li>• In addition to nursing care seminars, hold mental care seminars, step-up training, and other training that leads to retention and personal growth</li> </ul>
	<ul style="list-style-type: none"> <li>• 3-year retention rate of employees hired as recent graduates</li> <li>The retention rate for employees hired in FY2018 is 82.2%, a high level compared to other industries and the retail industry average, so make ongoing efforts to increase the retention rate even further</li> </ul>	<ul style="list-style-type: none"> <li>• The retention rate for employees hired in FY2019 decreased slightly to 77.8%. Continue to encourage retention and growth through measures such as step-up training</li> </ul>	×	<ul style="list-style-type: none"> <li>• Provide training and self-development programs intended not only to maintain the 3-year retention rate of employees hired as recent graduates but also to retain younger employees in their 20s and 30s and improve motivation for achieving personal growth</li> </ul>

## Create an ethical society through dialogue and collaboration with customers

### FY2021 Targets/Results and FY2022 Targets

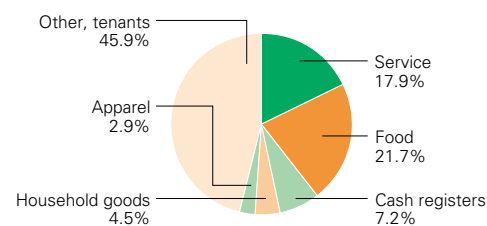
○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Responding sincerely to customers' opinions				
	<ul style="list-style-type: none"> <li>• Promote to implement COVID-19 countermeasures with emphasis</li> <li>• Investigation of the use of AI and IoT Preparations for launch in FY2022 (automated conversation programs (chat bots), interactive voice response systems (IVR), etc.)</li> <li>• Priority implementation of measures to make improvement regarding complaints about customer service, which have a strong human element</li> <li>• Number of complaints regarding customer service: 20% reduction over previous year</li> </ul>	<ul style="list-style-type: none"> <li>• Implemented countermeasures based on governmental guidance</li> <li>In addition, implemented original measures to reinforce infection prevention (disinfection of hand baskets, switching from vinyl curtains to acrylic boards, one-way traffic, installation of priority cash registers, etc.)</li> <li>• Continued investigation of chat about introduction and completed introduction of IVR with the exception of Ario and some regional stores</li> <li>• With the organizational changes implemented in September 2021, new customer service managers were appointed at individual stores (57 persons as of July 2022)</li> <li>• Reinforced education to improve service</li> <li>• Number of complaints regarding customer service: 25% reduction over previous year</li> </ul>	○	<ul style="list-style-type: none"> <li>• Continue to implement measures to prevent the spread of COVID-19 while monitoring social conditions</li> <li>• Utilize AI and IoT</li> <li>• Number of complaints regarding customer service: 20% reduction over previous year</li> </ul>
Understanding customer needs				
	<ul style="list-style-type: none"> <li>• Expansion of in-store surveys by lifestyle advisors</li> <li>• Share opinions gathered from customers through in-store surveys conducted on a weekly basis with relevant departments</li> <li>• Expand the number of stores where surveys are conducted to 15 in FY2021 (surveys were conducted in 10 stores in the previous fiscal year)</li> </ul>	<ul style="list-style-type: none"> <li>• Continued measures to prevent the spread of COVID-19, and as a result, did not to increase stores where surveys are conducted and maintained at 10 stores</li> <li>• Conducted market research on competitors as a measure to address the decrease</li> </ul>	○	<ul style="list-style-type: none"> <li>• Investigate expanding survey stores to 15 while taking into consideration COVID-19 conditions</li> </ul>

## Data from Customer Support

The total number of inquiries received in FY2021 fell to 73.6% of the figure from FY2020, when there was an extremely large number of inquiries concerning countermeasures against COVID-19. Dissatisfaction with customer service decreased to 75% of the level from the previous fiscal year. To resolve customer dissatisfaction as much as possible, we will analyze the causes of complaints and take steps to prevent reoccurrence.

Breakdown of inquiries by category for FY2021  
Inquiries received: 33,151  
(down 26.4% from the previous fiscal year)



## Achieve a sustainable society through partnerships

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Strengthening Enactment of Business Partner Action Guidelines				
	<ul style="list-style-type: none"> <li>Building sustainable supply chains Request that suppliers understand and follow the Seven &amp; i Group Business Partner Sustainable Action Guidelines and cooperate with CSR audits</li> <li>CSR audits: Eliminate factories with D and E ratings and increase the percentages of factories with A, B, and C ratings</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of A, B, and C ratings: 86.3% (a 4% increase year-on-year)</li> <li>The rates increased for both direct imports from overseas and the overseas production plan of domestic suppliers, but there were only one E rating and 12 D ratings</li> </ul>	×	<ul style="list-style-type: none"> <li>Building sustainable supply chains Continue to request that suppliers understand and follow the Seven &amp; i Group Business Partner Sustainable Action Guidelines and cooperate with CSR audits. Take action with targets of achieving 30% A and B ratings and no D and E ratings in CSR audits</li> </ul>
Solving social issues through our business				
	<ul style="list-style-type: none"> <li>Create new value using store infrastructure (setting up COVID-19 vaccination sites and My Number Card, or personal ID card in Japan, promotion booths)</li> <li>Develop ethical products</li> </ul>	<ul style="list-style-type: none"> <li>Set up COVID-19 vaccination sites at five stores and provided store infrastructure as vaccination reservation sites. In addition, provided food and other assistance to those receiving medical care at home.</li> <li>Actively developed products that will lead to the creation of a circular economy, Cooperated with business partners to take action as collection sites for used clothing that is used in RENU, Bring, and other products</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Promote further development of products and take other measures in collaboration with business partners including circular economy practices, reduction of plastic use and clothing and umbrella replacement campaigns</li> </ul>
Expanding services as a form of social infrastructure				
	<ul style="list-style-type: none"> <li>Participation in local communities Enter into community revitalization comprehensive alliance agreement that will lead to revitalization of local communities and enhancement of resident services and reinforce collaboration with local government agencies. Use store infrastructure to undertake programs, such as support for the elderly and childcare and support for culture, art, and sports activities, and so on, to promote measures through core business Number of local governments with which new agreements will be concluded: 3 (total of 61 local governments)</li> </ul>	<ul style="list-style-type: none"> <li>Entered into six new comprehensive alliance agreements and one comprehensive wide-area partnership agreement, increasing the number of local governments with which agreements have been signed to 79</li> <li>Comprehensive alliance agreements with six local governments: Edogawa-ku, Kashiwa City, Shizuoka City, Kakogawa City, Koriyama City, and Matsudo City</li> <li>Wide-area partnership agreements Koriyama Wide Area Partnership Agreement (Koriyama City, Sukagawa City, Nihonmatsu City, Tamura City, Motomiya City, Otama Village, Kagamiishi Town, Tenei Village, Inawashiro Town, Ishikawa Town, Tamakawa Village, Hirata Village, Asakawa Town, Furudono Town, Miharu Town, Ono Town, and Bandai Town)</li> </ul>	○	<ul style="list-style-type: none"> <li>Include new agreements with additional local governments (for a total of 82 local governments) Conduct meetings to exchange information with local governments to promote ongoing efforts with the local governments with which agreements have been concluded</li> <li>Contribute to the SDGS by implementing measures with various stakeholders by strengthening collaboration even further</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2022)		(persons)
Full-time employees* <sup>1</sup>		5,995
	Male	4,186
	Female	1,809
Part-time staff* <sup>2</sup>		16,683
	Male	2,771
	Female	13,912
Number of employees (full-time employees + part-time staff)		22,678
	Male	6,957
	Female	15,721
New graduate employees hired		74
	Male	36
	Female	38
Mid-career employees hired		7
	Male	4
	Female	3

	FY2019	FY2020	FY2021
Average length of service (full-time employees)	23 years 2 months	23 years 5 months	24 years 9 months
Number of full-time employees who took childcare leave (males, part-time staff)* <sup>3</sup>	186 (6, 90)	186 (7, 120)	193 (4, 97)
Number of full-time employees who took nursing care leave (males, part-time staff)* <sup>3</sup>	26 (5, 17)	34 (2, 26)	25 (1, 23)
Number of volunteer leave recipients	7	7	6
Number of female managers (percentage)* <sup>4</sup>	751 (26.1%)	701 (27.6%)	490 (23.1%)
Team leader	666 (31.0%)	625 (31.9%)	410 (26.2%)
Section manager	65 (13.0%)	55 (13.9%)	54 (15.5%)
Division manager	20 (8.9%)	21 (11.4%)	26 (12.1%)
Corporate officer* <sup>5</sup>	1 (4.2%)	3 (13.0%)	4 (16.7%)
Percentage of employees with disabilities* <sup>6</sup>	3.15%	3.19%	3.21%
Percentage of paid leave taken by full-time employees	32.8%	45.1%	47.2%
Frequency rate of workplace accidents	1.37	1.53	1.41
Severity rate of workplace accidents	0.03	0.04	0.05

\*1 The figure includes 642 persons reemployed after mandatory retirement.

\*2 Monthly average, with 8 hours/day counted as one employee. Including contractual employees.

\*3 Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

\*4 The percentage of team leaders or higher positions, excluding corporate officers.

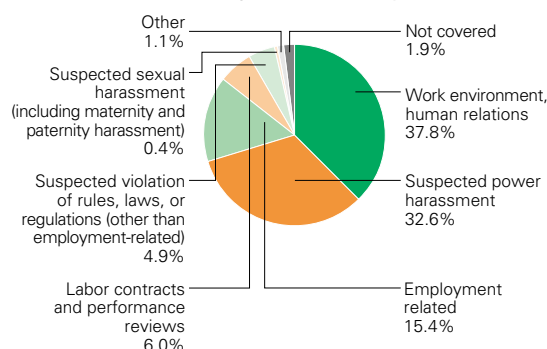
\*5 The percentage of female corporate officers is as of May 31 of the following fiscal year.

\*6 The percentage for the fiscal year is as of June 1 of the following fiscal year.

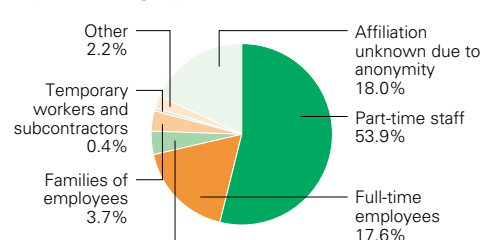
## Data from Helpline for Employees

The number of reports in FY2021 decreased to 78.5% the level of the previous fiscal year, but the number of reports relating to harassment remained high. We will continue to conduct regular harassment training for managerial employees and engage in effective communication in an effort to create work environments that facilitate work.

### Breakdown of reports by category for FY2021 Reports received: 267 (down 21.5% from the previous fiscal year)



### By user category



## Disaster Assistance

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Providing support for disasters				
	<ul style="list-style-type: none"> <li>Reinforce collaboration with the internal relevant departments (including the Product Dept., Logistics Office, and Accounting Management Dept.) so that relief materials can be provided quickly in the event of a disaster</li> <li>Steadily review the details of agreements with local governments concluded in the past and ensure that they are effective</li> <li>In addition to concluding agreements, participate in disaster prevention drills, meetings, and so on conducted by local governments and other organizations and reinforce collaboration through exchanges of information</li> </ul>	<ul style="list-style-type: none"> <li>Held disaster preparedness meetings with the relevant departments once each quarter to reinforce collaboration by sharing information on issues</li> <li>Reviewed the details of agreements with five organizations including local governments and updated agreements according to actual circumstances</li> <li>Participated in remote meetings held by local governments and in drills on transmitting information to anticipation of a disaster</li> <li>During the COVID-19 pandemic, supplied food and daily necessities to lodging facilities for individuals with mild symptoms or who are asymptomatic in Fukushima prefecture</li> <li>Provided food Kanagawa Prefecture firefighters who provided support in response to the landslide disaster in the Izusan district of Atami City</li> <li>Supply clothing and daily necessities to Aomori Prefecture in response to flooding in Kazamaura Village, located in the northern portion of the Shimokita Peninsula in Aomori Prefecture in August 2021</li> </ul>	○	<ul style="list-style-type: none"> <li>Comprehensively notify employees about business continuity plans through drills and improve internal disaster response capabilities</li> <li>Implement an exchange of opinions with respective government agencies and local authorities regarding disaster response, and further strengthen collaborations</li> <li>In addition to concluding agreements, actively participate in disaster prevention drills and meetings held by local government and establish systems for providing appropriate local support during disasters</li> </ul>

## Disaster Reconstruction Support

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Social contribution activity expenditures				
	<ul style="list-style-type: none"> <li>Contribute to regional development and the creation of enriching living environments through business and engage in social contribution that takes into consideration the social and public nature of initiatives such as appropriate donations</li> <li>Social contribution activity expenditures: up 10% from the previous fiscal year</li> <li>*Calculated based on Fiscal 2011 Key Points Regarding the Implementation of Social Contribution Activity Surveys by Japan Business Federation, "Keidanren." However, political contributions are excluded</li> <li>Total amount collected through donation boxes installed at the registers of all stores: 31.5 million yen (up 7% from the previous fiscal year)</li> </ul>	<ul style="list-style-type: none"> <li>Social contribution activity expenditures: up 146.68% from the previous fiscal year</li> <li>Cumulative amount of all cash register donations in FY2021: 21,983,841 yen (a decrease of 33.2% from the previous year)</li> </ul>	○  ×	<ul style="list-style-type: none"> <li>Contribute to the development of local communities and the creation of enriching living environments through our business and continue to support society by making appropriate donations and other means, taking into consideration social and public aspects. Search for new initiatives in the with-COVID-19 era</li> <li>Social contribution activity expenditures: up 10% from the previous fiscal year</li> <li>*Calculated based on Fiscal 2011 Key Points Regarding the Implementation of Social Contribution Activity Surveys by Japan Business Federation, "Keidanren." However, political contributions are excluded</li> <li>Total amount collected through donation boxes installed at the registers of all stores: 25 million yen (up 13% from the previous fiscal year)</li> <li>Investigate installation of collection boxes compatible with semi-self-checkout and self-checkout registers</li> </ul>
Support for disaster recovery through Bellmark activities				
	<ul style="list-style-type: none"> <li>Continuous implementation of the Tohoku Kakehashi Project since 2011 to support recovery from the Great East Japan Earthquake. In addition to sales of products and support for tourism, continuous implementation of Bellmark collection activities (provision of educational materials used by children in the Tohoku region) Collection target: 3 million points (cumulative total of 18 million points)</li> </ul>	<p>In FY2021, collected 2.53 million points at stores for a cumulative total of 17.53 million points</p>	△	<ul style="list-style-type: none"> <li>Sign an agreement with Kirin Beverage Company, Limited and launch new initiatives to support education in disaster-stricken areas in Japan through the new Mirai Kakehashi Project starting with the Tohoku Kakehashi Project</li> <li>In FY2022, collect 4 million points at stores for a cumulative total of 21.5 million points</li> </ul>

# York-Benimaru Co., Ltd.

Website: <https://yorkbenimaru.com/company/mecenat/> (in Japanese)

Number of stores as of fiscal year ended February 28, 2022: 237

## Create a livable society with local communities through various customer touchpoints

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Promoting regional development				
	• Continue to hold Opening Anniversary Festivals at each store	• Continue to hold Opening Anniversary Festivals at each store	○	• Continue to hold Opening Anniversary Festivals at each store
Implementing crime prevention measures for local communities				
	• Cooperate in the "Kodomo 110 Ban no Mise" initiative at new stores	• Cooperated in "Kodomo 110 Ban no Mise" initiative	○	• Continue to extend cooperation for the "Kodomo 110 Ban no Mise" initiative, including at new stores

## Provide safe, reliable, and healthier merchandise and services

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Ensuring the quality and safety of products and services				
	• Sales for private-brand three-star vegetables/fruits (existing stores): up 7.4% from the previous fiscal year	• Up 0.3% from the previous fiscal year	△	• Sales for private-brand three-star vegetables/fruits (existing stores): up 5.1% from the previous fiscal year
Maintaining more customer-friendly and reliable stores and facilities				
	• Expand the number of new stores that apply the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.	• Number of stores that apply the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.: 128	○	• Expand the number of new stores that apply the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.

## Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Improving energy efficiency and introducing renewable energy				
	• Electricity consumption (existing stores): down 2.6% from the previous fiscal year • Installation of solar power generation facility: 10 stores (Annual CO <sub>2</sub> reduction of 2,000t)	• Down 2.7% from the previous fiscal year • 13 stores (Annual CO <sub>2</sub> reduction of 1,878t)	○ △	• Electricity consumption (existing stores): down 4.8% from the previous fiscal year • Installation of solar power generation facility: 20 stores (Annual CO <sub>2</sub> reduction of 3,101t) • CO <sub>2</sub> -free electricity procurement (Annual CO <sub>2</sub> reduction of 9,520t)

### Environmental Data

	Unit	FY2019	FY2020	FY2021
CO <sub>2</sub> emissions <sup>*1*2*3</sup>	t-CO <sub>2</sub>	192,650	192,766	208,685
CO <sub>2</sub> emissions from store operations (per store) <sup>*1*3</sup>	t-CO <sub>2</sub>	174,464 (755)	173,804 (733)	169,294 (705)
CO <sub>2</sub> emissions from delivery vehicles <sup>*1*3</sup>	t-CO <sub>2</sub>	17,868	18,518	18,026
Electricity consumption in store operations <sup>*1</sup>	GWh	336	340	364
Water usage in store operations <sup>*4</sup>	1,000m <sup>3</sup>	1,072	1,044	1,010
Plastic bag usage (turndown rate) at the food section	t (%)	496 (72.6)	337 (82.0)	286 (83.1)
Waste disposal (recycling rate) <sup>*4</sup>	t (%)	52,953 (52.1)	54,572 (55.6)	50,403 (62.1)
Food waste recycling rate <sup>*4</sup>	%	58.1	60.5	68.0

\*1 The period of the calculations was from April to March.

\*2 The data represents CO<sub>2</sub> emissions stemming from the use of energy for store, Head Office, training center and logistics center operations and by delivery trucks. Also, data for FY2021 includes CO<sub>2</sub> emissions from the operations of food factories.

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

\*4 The period of the calculations was from April to March. Further, the food waste recycling rate associated with the operation of food factories is reflected only for March 2022.

## Improve work engagement and environment for people working in Group businesses

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Development of human resources				
	<ul style="list-style-type: none"> <li>Switch to a flexible training format in line with the "New Normal," boosting organizational capacity through level-specific training, as well as OJT training pertaining to technologies and management</li> <li>Number of employees that successfully pass technical certification (beginner): 1,313</li> <li>Number of employees in charge of order placement to undergo training (levels 4 &amp; 5): 231</li> <li>Number of power harassment prevention trainings: 91 times in 7 departments in 14 zones</li> </ul>	<ul style="list-style-type: none"> <li>Switch to a flexible training format in line with the "New Normal," boosting organizational capacity through level-specific training, as well as OJT training pertaining to technologies and management</li> <li>Number of employees that successfully pass technical certification (beginner): 1,333</li> <li>Number of employees in charge of order placement to undergo training (levels 4 &amp; 5): 275</li> <li>Number of power harassment prevention trainings: 91 times in 7 departments in 14 zones</li> </ul>	<p>—</p> <p>○</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Provide educational opportunities that emphasize versatility and efficiency by focusing on students' "level of comprehension" and making proper use of both group and web-based formats.</li> <li>Number of employees that successfully pass technical certification (beginner): 1,918</li> <li>Number of employees in charge of order placement to undergo training (selling price) (levels 4 &amp; 5): 244</li> <li>Number of power harassment prevention trainings: 154 times in 14 zones × (3 managers + 7 departments)</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>Annual number of paid leave days taken (full-time employees): 10 days</li> </ul>	<ul style="list-style-type: none"> <li>Annual number of paid leave days taken (full-time employees): 8.6 days</li> </ul>	×	<ul style="list-style-type: none"> <li>Annual number of paid leave days taken (full-time employees): 10 days</li> </ul>
Assuring occupational safety and health				
	<ul style="list-style-type: none"> <li>Number of workplace accidents per year: down 10% from the previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>Down 17% from the previous fiscal year</li> </ul>	○	<ul style="list-style-type: none"> <li>Number of workplace accidents per year: down 10% from the previous fiscal year</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>Promote an executive training curriculum and achieve a percentage of female managers (team leaders) of 28%</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of female managers (team leaders): 24.5%</li> </ul>	○	<ul style="list-style-type: none"> <li>Achieve a percentage of female managers (team leaders) of 37%</li> </ul> <p>*Figures are subject to change due to merger with former Life Foods</p>

### Personnel Data

Breakdown of number of employees (as of the end of February 2022)		(persons)
Full-time employees*1		3,095
	Male	2,622
	Female	473
Part-time staff*2		12,513
	Male	1,608
	Female	10,905
Number of employees (full-time employees + part-time staff)		15,608
	Male	4,230
	Female	11,378
New graduate employees hired		138
	Male	87
	Female	51
Mid-career employees hired		0
	Male	0
	Female	0

	FY2019	FY2020	FY2021
Average length of service (full-time employees)	14 years 8 months	15 years 0 month	16 years 0 month
Number of full-time employees who took childcare leave (males, part-time staff)*3	196 (0, 170)	205 (0, 177)	201 (1, 175)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	5 (0, 5)	6 (0, 6)	34 (2, 33)
Number of volunteer leave recipients	NA	NA	NA
Number of female managers (percentage)*4	604 (25.4%)	614 (24.9%)	617 (24.6%)
Team leader	381 (25.3%)	390 (26.4%)	386 (25.9%)
Section manager	207 (36.4%)	208 (31.1%)	209 (36.2%)
Division manager	16 (5.3%)	16 (5.2%)	22 (5.1%)
Corporate officer*5	2 (6.9%)	2 (6.9%)	2 (5.7%)
Percentage of employees with disabilities*6	3.10%	3.12%	3.39%
Percentage of paid leave taken by full-time employees	40.0%	50.0%	46.2%
Frequency rate of workplace accidents	3.58	3.40	3.59
Severity rate of workplace accidents	0.01	0.01	0.14

\*1 The figure includes 252 persons reemployed after mandatory retirement.

\*2 Monthly average, with 8 hours/day counted as one employee. Including contractual employees.

\*3 Persons who took such leave in the applicable fiscal year. (takers continuing leave from the previous year + new takers of leave)

\*4 The percentage of team leaders or higher positions, excluding corporate officers.

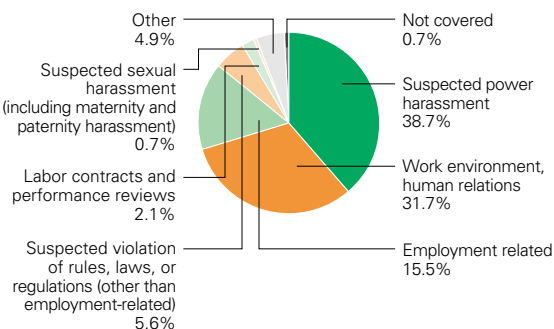
\*5 The percentage of female corporate officers is as of May 31 of the following fiscal year.

\*6 The percentage for the fiscal year is as of June 1 of the following fiscal year.

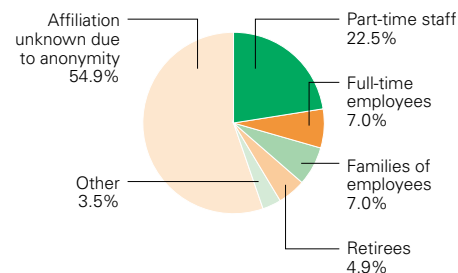
## Data from Helpline for Employees

The service enables employees to receive counseling on workplace issues, request investigations into suspicion of harassment, fraud, etc. Employee suggestions are used to create a better workplace environment.

### Breakdown of reports by category for FY2021 Reports received: 142 (up 8.4% from the previous fiscal year)



### By user category

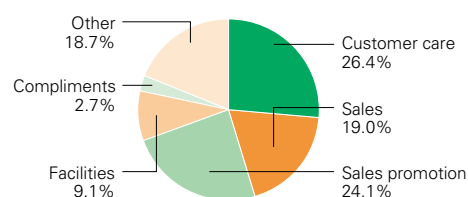


## Create an ethical society through dialogue and collaboration with customers

### Data from Customer Support

As an initiative to listen to our customers' voice and respond to every one of them, we share examples of each store successfully meeting customers' needs with all our stores. Our Head Office and stores will work together to provide customers with a more timely response and incorporate as many customer suggestions as possible into our operations with an eye to making our stores enjoyable and reliable places to shop.

### Breakdown of inquiries by category for FY2021 Inquiries received: 3,720 (down 6.3% from the previous fiscal year)



## Achieve a sustainable society through partnerships

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Community support	<ul style="list-style-type: none"> <li>Continue blood donation activities as the secretariat of Heartful Saturday, a blood donation event that has been held since 1990, mainly for suppliers in Fukushima Prefecture.</li> </ul>	<ul style="list-style-type: none"> <li>Number of Heartful Saturday blood donors: 304</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue blood donation activities</li> </ul>

## Disaster Assistance

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Providing support for disasters	<ul style="list-style-type: none"> <li>Consider cooperating with local governments who request the conclusion of disaster management agreements, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Concluded a disaster prevention agreement with three new local governments</li> </ul>	○	<ul style="list-style-type: none"> <li>Consider cooperating with local governments who request the conclusion of disaster management agreements, etc.</li> </ul>

## Create a livable society with local communities through various customer touchpoints

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Providing services to a wide range of customers	<ul style="list-style-type: none"> <li>Implement small-scale courses/e-learning courses on training people to care for dementia patients</li> </ul>	<ul style="list-style-type: none"> <li>Implemented courses on training people to care for dementia patients making active use of remote learning. Trained a total of 214 new employees and part-time workers at new stores</li> </ul>	△	<ul style="list-style-type: none"> <li>Hold courses on training people to care for dementia patients for new employees and part-time workers at new stores making active use of remote learning</li> </ul>

## Provide safe, reliable, and healthier merchandise and services

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Ensuring the quality and safety of products and services	<ul style="list-style-type: none"> <li>Boost training on date management, accurate production location, history displays, etc. by way of HACCP by enhancing training pertaining to quality control at monthly store supervisor meetings</li> <li>Hold meetings twice annually between Head Office quality control staff and HACCP team members at all stores</li> <li>Check on operations of sanitation equipment (Purester water) on inspection tours of all stores in the old Tokyo metropolitan area</li> </ul>	<ul style="list-style-type: none"> <li>Implemented training on quality control and hygiene management at monthly store supervisor meetings. In addition to initial planned topics, responded to incidences of labeling mishaps for products produced in stores following the introduction of a reporting system for voluntary recall in June</li> <li>Not implemented due to restrictions on store visits under the COVID-19 pandemic</li> <li>Performed checks on sanitation equipment (including Purester water start-up inspections), confirmed status of cleaning operations, and offered guidance as required as agenda item in internal audits of stores by quality control staff from Head Office. However, half the number of checks were performed due to COVID-19</li> </ul>	<p>○</p> <p>×</p> <p>△</p>	<ul style="list-style-type: none"> <li>Share issues with sales business department and each product department and collaborate with them to imbed and manage HACCP</li> <li>Use HACCP spreadsheets to manage employee hygiene and cleaning operations, manage raw materials, and manage labeling. In addition, have Head Office quality control staff conduct quarterly patrols at stores</li> <li>Share issues with each sales department and implement responses</li> <li>Issue requests for investigative follow-up on the causes of accidents and proposed measures to prevent reoccurrence to manufacturers of products which have been subject to customer claims as a response to product-related accidents</li> </ul>
Maintaining more customer-friendly and reliable stores and facilities	<ul style="list-style-type: none"> <li>Upgrade the sitting areas named "Fureai Corner" at renovated stores in consideration of the spread of COVID-19</li> <li>Continue use of anti-slip ceramic tiles as store flooring material (1 new store)</li> </ul>	<ul style="list-style-type: none"> <li>Implemented measures to prevent infections with COVID-19, including bans on eating and drinking and closed-off areas at "Fureai Corner." Established new "Fureai Corner" outfitted with equipment to prevent infections at two new stores</li> <li>Set up anti-slip ceramic tiles as store flooring material (1 new store)</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Set up "Fureai Corner" with measures in place to prevent infections at two new stores</li> <li>Set up anti-slip ceramic tiles as store flooring material (2 new stores)</li> </ul>
Providing appropriate information	<ul style="list-style-type: none"> <li>Issues found in store audit results shared with the sales business department every week for improvement. Transmission of information from business trainers to continue for action by the entire company</li> <li>Continue to provide weekly information related to HACCP, hygiene management, freshness management, and allergy labeling to stores by emails, and strengthen direct communication through meetings</li> <li>Conduct food hygiene and labelling training 5 times a year via e-learning</li> </ul>	<ul style="list-style-type: none"> <li>Implemented store audits as planned in both the first and second half of the year, while confirming the status of infections with COVID-19. Shared information on stores with issues with the sales business department and checked on improvements</li> <li>Sent weekly HACCP-related information on hygiene management, freshness management, allergy labeling, etc. to stores. Shared information summarized onto a single page to allow prompt understanding by stores on weekly themes, by utilizing pictures and illustrations</li> <li>Conducted 5 times over the year as planned</li> </ul>	<p>○</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Share outcomes of store audits with sales business department on a weekly basis and strive to institute improvements. Share information with personnel and quality control sections if there are any issues with quality and hygiene or labor management. Encourage stores to complete self-inspections to enhance baseline standards for store management</li> <li>Send weekly HACCP-related information on hygiene management, freshness management, allergy labeling, etc. to stores</li> <li>Prepare 12 themed video training tools and implement training in the first half of the year. Make improvements in the second half of the year by means of PDCA (Plan-Do-Check-Act)</li> </ul>

## Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Measuring appropriately the environmental impact				
	<ul style="list-style-type: none"> <li>Set up BEMS* at all store locations including new ones</li> <li>*Building Energy Management System</li> </ul>	<ul style="list-style-type: none"> <li>Set up BEMS at all stores except Comfort Market</li> </ul>	○	<ul style="list-style-type: none"> <li>Set up BEMS at all stores except Comfort Market</li> </ul>
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>Introduce reach-in multi-level refrigerated cases: 1 store</li> <li>Install solar power generation facility: 4 stores</li> <li>Install air conditioning and heating control systems using AI: 1 store</li> </ul>	<ul style="list-style-type: none"> <li>Installation of reach-in cases: 2 stores</li> <li>Solar power generation facility: 4 stores</li> <li>Air conditioning and heating control systems using AI: Not completed</li> </ul>	<p>○</p> <p>○</p> <p>×</p>	<ul style="list-style-type: none"> <li>Replace LED lighting: 12 store locations</li> <li>Install solar power generation facility: 4 stores</li> <li>Monitor over-cooling using refrigeration control systems: 10 store locations</li> </ul>
Reducing waste and developing a circular economy				
	<ul style="list-style-type: none"> <li>Food waste recycling rate: 60% (companywide)</li> <li>Plastic bag turndown rate: 82.0%</li> <li>Plastic bag usage weight: down by 15% from previous year</li> </ul>	<ul style="list-style-type: none"> <li>Food waste recycling rate: 66.7% (companywide)</li> <li>Plastic bag turndown rate: 81.5%</li> <li>Plastic bag usage weight: down by 26.2% from previous year</li> </ul>	<p>○</p> <p>△</p> <p>○</p>	<ul style="list-style-type: none"> <li>Food waste recycling rate: 66.7% (companywide)</li> <li>Plastic bag turndown rate: 82.5%</li> <li>Plastic bag usage weight: down by 8% from previous year</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>Number of employees who pass the Eco Test: 110</li> </ul>	<ul style="list-style-type: none"> <li>Number of employees who pass the test: 88</li> </ul>	△	<ul style="list-style-type: none"> <li>Number of employees who pass the Eco Test: 140</li> </ul>

### Environmental Data

	Unit	FY2019	FY2020	FY2021
CO <sub>2</sub> emissions**1*2*3	t-CO <sub>2</sub>	54,891	63,416	64,152
CO <sub>2</sub> emissions from store operations (per store)**1*3	t-CO <sub>2</sub>	54,852 (660)	63,377 (615)	64,113 (629)
Electricity consumption in store operations*1	GWh	115	136	142
Water usage in store operations*1	1,000m <sup>3</sup>	483	577	588
Plastic bag turndown rate at the food section	%	54.5	78.9	81.5
Waste disposal (recycling rate)	t (%)	20,097 (80.2)	23,978 (72.1)	22,810 (66.8)
Food waste recycling rate	%	64.2	59.2	66.7

\*1 The period of the calculations was from April to March.

\*2 The data represents CO<sub>2</sub> emissions stemming from the use of energy for store and Head Office operations.

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

## Achieve a society in which diverse people can actively participate

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Supporting Career Education				
	<ul style="list-style-type: none"> <li>Hold observation tours for teachers and provide CSR leaflets proactively</li> </ul>	<ul style="list-style-type: none"> <li>Held observation tours for teachers and provide CSR leaflets proactively</li> </ul>	△	<ul style="list-style-type: none"> <li>Hold observation tours and interactive lessons for elementary and junior high school students making active use of remote learning with consideration to the status of infections with COVID-19</li> </ul>

## Improve work engagement and environment for people working in Group businesses

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Development of human resources				
	<ul style="list-style-type: none"> <li>Develop a remote training environment. Also develop and apply educational content for store managers</li> <li>Develop and apply educational content for new employees</li> </ul>	<ul style="list-style-type: none"> <li>Established training system for store managers, assistant store managers, and other management tier employees, and commenced remote training</li> <li>Consolidated training system for new employees, and commenced remote training on common foundational topics</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Expand level-specific training using training system                             <ul style="list-style-type: none"> <li>Create a framework to nurture next generation leaders for supervisor-level employees</li> <li>Create a training system for each individual at part-time employee level</li> </ul> </li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>Average number of overtime hours down by 10% from the previous fiscal year, to cut down total work hours</li> </ul>	<ul style="list-style-type: none"> <li>Reduced by 9.5% from the previous fiscal year</li> </ul>	<p>△</p>	<ul style="list-style-type: none"> <li>Average number of overtime hours down by 10% from the previous fiscal year, to cut down total work hours</li> </ul>
Assuring occupational safety and health				
	<ul style="list-style-type: none"> <li>Give notification of causes of and responses to workplace accidents and reduce workplace accidents requiring missed workdays</li> </ul>	<ul style="list-style-type: none"> <li>Frequency rate of workplace accidents: 3.74 (the previous fiscal year: 4.11)</li> <li>Severity rate of workplace accidents: 0.07 (the previous fiscal year: 0.10)</li> <li>Number of workdays missed: 992 (the previous fiscal year: 1,407)</li> </ul>	<p>△</p> <p>△</p> <p>△</p>	<ul style="list-style-type: none"> <li>Give notification of causes of and responses to workplace accidents and reduce workplace accidents requiring missed workdays</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>Employees appointed as expert employees: 15</li> <li>Employees appointed as full-time employees: 15</li> <li>Number of females appointed in management roles: 4</li> <li>Percentage of female managers: 25%</li> </ul>	<ul style="list-style-type: none"> <li>Employees appointed as expert employees: 10</li> <li>Employees appointed as full-time employees: 7</li> <li>Number of females appointed in management roles: 3</li> <li>Percentage of female managers: 17.4%</li> </ul>	<p>×</p> <p>×</p> <p>△</p> <p>×</p>	<ul style="list-style-type: none"> <li>Employees appointed as expert employees: 15</li> <li>Employees appointed as full-time employees: 15</li> <li>Number of females appointed in management roles: 4</li> <li>Percentage of female managers: 25%</li> </ul>
Supporting childcare and elderly				
	<ul style="list-style-type: none"> <li>Increase users of the child caring program "Re-challenge Plan" to reduce resignations</li> <li>Disseminate information about the "Re-challenge Plan" via the internal newsletter featuring the experience of program users</li> <li>Hold orientation for employees returning to work after childcare leave either in person or online</li> </ul>	<ul style="list-style-type: none"> <li>Number of resignations among users of "Re-challenge Plan" remained unchanged (FY2020: 3, FY2021: 2)</li> <li>Included an overview of the system and experiential accounts by system users in the internal newsletter</li> <li>Cancelled orientations due to the COVID-19 pandemic. Sent internal information and shared current statuses by post once every two to three months</li> </ul>	<p>○</p> <p>○</p> <p>×</p>	<ul style="list-style-type: none"> <li>Increase users of the child caring program "Re-challenge Plan" to reduce resignations</li> <li>Disseminate information about the "Re-challenge Plan" via the internal newsletter featuring the experience of program users</li> <li>Hold orientation for employees returning to work after childcare leave either in person or online</li> </ul>

### Personnel Data

Breakdown of number of employees (as of the end of February 2022)		(persons)
Full-time employees <sup>*1</sup>		1,656
	Male	1,294
	Female	362
Part-time staff <sup>*2</sup>		5,584
	Male	1,449
	Female	4,135
Number of employees (full-time employees + part-time staff)		7,240
	Male	2,743
	Female	4,497
New graduate employees hired		102
	Male	57
	Female	45
Mid-career employees hired		2
	Male	2
	Female	0

	FY2019	FY2020	FY2021
Average length of service (full-time employees)	15 years 7 months	15 years 1 month	15 years 7 month
Number of full-time employees who took childcare leave (males, part-time staff) <sup>*3</sup>	41 (0, 23)	40 (0, 27)	56 (0, 32)
Number of full-time employees who took nursing care leave (males, part-time staff) <sup>*3</sup>	0 (0, 0)	1 (1, 0)	3 (1, 2)
Number of volunteer leave recipients	2	0	0
Number of female managers (percentage) <sup>*4</sup>	213 (24.7%)	226 (21.5%)	210 (17.4%)
Team leader	169 (28.7%)	167 (24.6%)	150 (24.3%)
Section manager	36 (22.9%)	50 (23.0%)	47 (18.0%)
Division manager	8 (6.7%)	9 (6.2%)	13 (8.0%)
Corporate officer <sup>*5</sup>	2 (11.1%)	2 (10.5%)	2 (9.5%)
Percentage of employees with disabilities <sup>*6</sup>	2.30%	2.04%	2.38%
Percentage of paid leave taken by full-time employees	34.6%	36.9%	43.6%
Frequency rate of workplace accidents	2.46	4.11	3.74
Severity rate of workplace accidents	0.06	0.10	0.07

\*1 The figure includes 105 persons reemployed after mandatory retirement.

\*2 Monthly average, with 8 hours/day counted as one employee. Including contractual employees.

\*3 Persons who took such leave in the applicable fiscal year. (takers continuing leave from the previous year + new takers of leave)

\*4 The percentage of team leaders or higher positions, excluding corporate officers.

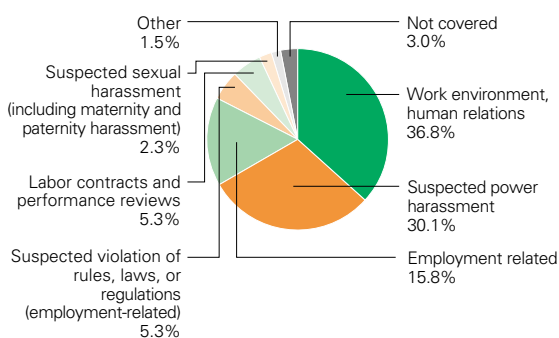
\*5 The percentage of female corporate officers is as of May 31 of the following fiscal year.

\*6 The percentage for the fiscal year is as of June 1 of the following fiscal year.

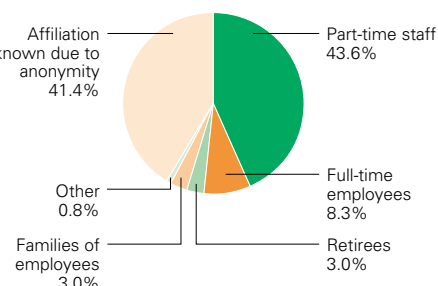
## Data from Helpline for Employees

There was a slight decrease in the number of reports from the previous fiscal year. Reports falling under the categories "Work environment, human relations" and "Suspected power harassment," which accounted for around 70% of those received, were largely attributable to issues in day-to-day communication. The entire Seven & i Group is working to build a better company by finding solutions on reports received, while improving on specific points for issues that should be regarded as Group-wide.

## Breakdown of reports by category for FY2021 Reports received: 133 (down 2.2% from the previous fiscal year)



## By user category



## Create an ethical society through dialogue and collaboration with customers

### FY2021 Targets/Results and FY2022 Targets

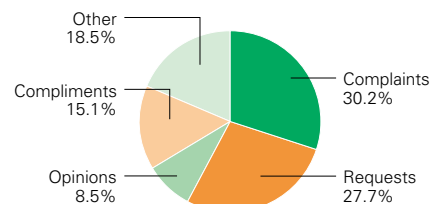
○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Responding sincerely to customers' opinions				
	<ul style="list-style-type: none"> <li>Continue to maintain the system of garnering customers' opinion. Gather key opinions weekly to share with both management and store employees and maintain the system to promptly answer to customers' requests as well as any complaints</li> <li>Address customer opinions regarding countermeasures against COVID-19, ensuring that stores can provide an environment where customers are able to shop with confidence</li> </ul>	<ul style="list-style-type: none"> <li>Gathered opinions weekly to share with both management and store employees and maintained the system to promptly answer to customers' requests as well as any complaints</li> <li>Conducted training on three occasions for store managers and assistant store managers in collaboration with all Group companies. Responses to customer complaints remains an ongoing issue</li> </ul>	○	<ul style="list-style-type: none"> <li>Gather key opinions weekly to share with both management and store employees and maintain the system to promptly answer to customers' requests as well as any complaints</li> </ul>
			△	<ul style="list-style-type: none"> <li>Conduct training on three occasions for store managers and assistant store managers in collaboration with all Group companies. Conduct training making active use of video training tools for store employees by managerial role</li> </ul>

## Data from Customer Support

A total of 8,067 inquiries were received in FY2021, down 8.5% from the previous fiscal year. Despite a decrease in inquiries related to changes to business hours implemented as a countermeasure to COVID-19 and infectious diseases there were 2,435 "complaints," many of which related to product quality, sold-out goods, and customer service. We will also actively enhance our contact systems for fielding inquiries, given the increasing number of requests related to new services, such as app-based sales promotions and self-checkouts.

## Breakdown of inquiries by category for FY2021 Inquiries received: 8,067 (down 8.5% from the previous fiscal year)



## Create a livable society with local communities through various customer touchpoints

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> <li>Strengthen communication with the police officials in collaboration with local businesses</li> <li>* Implement with appropriate measures in place to prevent infections after deliberations with government agencies, local fire stations, and local businesses</li> </ul>	<ul style="list-style-type: none"> <li>Participated in crime-prevention patrol in partnership with local businesses and police officials</li> <li>Shared information with other companies, on specific concerns, primarily regarding anti-social forces, as members of the Special Violence Prevention Council and the Violence and Crime Prevention Council</li> </ul>	○	<ul style="list-style-type: none"> <li>Strengthen communication with the police officials in collaboration with local businesses</li> </ul>
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> <li>Continue inspections of stores and equipment from a universal design perspective</li> </ul>	<ul style="list-style-type: none"> <li>Verified restroom layouts and reflected them in renovations (133 million yen renovations of Yokohama store toilets)</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue inspections of stores and equipment from a universal design perspective</li> </ul>

## Provide safe, reliable, and healthier merchandise and services

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>Continue initiatives to improve hygiene management knowledge including HACCP</li> <li>Clearly identify issues pertaining to food sanitation at each store and continue the PDCA activities for the Store Product Quality Management Committee and the support by dedicated food sanitation staff</li> <li>Continue to have sample verification tests performed by a specialized institution on products in the clothing and general goods categories</li> <li>Continue webinar training and e-learning to improve employee skills</li> </ul>	<ul style="list-style-type: none"> <li>OJT implemented for foodstuffs department employees and business partner employees by hygiene management supervisors at each store</li> <li>Clarified any issues by way of a biannual inspection conducted by specialized organizations, and implemented improvement projects through collaboration between Store Product Quality Management Committees and hygiene management supervisors</li> <li>Sample verification tests of baby apparel and seasonal goods implemented by specialized institutions</li> <li>Conducted quality control webinar training as well as e-learning workshops</li> </ul>	<p>○</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Bolster initiatives to improve hygiene management knowledge including HACCP, as well as knowledge of labeling</li> <li>Clearly identify issues pertaining to food sanitation at each store and continue the PDCA activities for the Store Product Quality Management Committee and the support by dedicated food sanitation staff</li> <li>Continue to have sample verification tests performed by a specialized institution on products in the clothing and general goods categories</li> <li>Conduct training by employee rank to improve employee skills</li> </ul>
Providing appropriate information				
	<ul style="list-style-type: none"> <li>Cooperate with specialized institution to check and inspect labeling of sales areas. Continue to implement appropriate labeling and information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Implemented label checking and inspection of sales areas biannually by specialized institution</li> </ul>	○	<ul style="list-style-type: none"> <li>Implement label checking and inspection of sales area biannually by specialized institution. Continue to implement appropriate labeling</li> </ul>

## Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Measuring appropriately the environmental impact				
	<ul style="list-style-type: none"> <li>Expand good points (high evaluation) in periodic ISO 14001 audits and continue to maintain 0 deficiencies</li> </ul>	<ul style="list-style-type: none"> <li>Strong point: 1 Good points: 5 Items pointed out: 0</li> </ul>	○	<ul style="list-style-type: none"> <li>Important items pointed out in ISO14001 renewal audit: 0 (unchanged)</li> </ul>
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>Energy consumption: reduce by 2% compared to FY2019 (on an existing store basis)</li> <li>Continue to switch to efficient machinery for obsolete facilities, etc. and introduce LED lighting</li> </ul>	<ul style="list-style-type: none"> <li>Cut by 6.2% due to reduced business hours and other means</li> <li>Installed LED lighting in four stores (178 million yen)</li> <li>Installed air conditioners to replace obsolete systems in five stores (246 million yen)</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Energy consumption: reduce by 3% compared to FY2019 (on an existing store basis)</li> <li>Continue to switch to efficient machinery for obsolete facilities, etc. and introduce LED lighting</li> </ul>
Reducing waste and developing a circular economy				
	<ul style="list-style-type: none"> <li>Food waste recycling rate: 74.6% (up 2.0% from FY2019)</li> <li>Waste recycling rate: 72.0% (up 1.8% from FY2019)</li> <li>Continue to improve waste recycling rate through more thorough separation of waste</li> </ul>	<ul style="list-style-type: none"> <li>Food recycling rate: 82.8%</li> <li>Waste recycling rate: 73.9%</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Step up food loss reduction initiatives Food waste (amount generated per million yen of sales): 29.0 kg/ million yen</li> <li>Reduce waste plastic generation Waste volume: 950 tons (down 1.5 tons on previous year)</li> <li>Reduce plastic grocery bag Annual volume: 30 tons (down 2.2 tons on previous year)</li> </ul>
Providing sustainable products				
	<ul style="list-style-type: none"> <li>Continue to propose products with certification symbols such as Alaska Seafood</li> </ul>	<ul style="list-style-type: none"> <li>Conducted Alaska Sustainable Seafood fair at each store and listed the products in mid-year gift and winter gift catalogs</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue to provide sustainable products such as Alaska Seafood</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>Provide environmental education to all employees</li> <li>Number of employees who pass the Eco Test: 70 (pass rate: 90%)</li> <li>Implement the CSV Idea Competition and plan prize-giving event</li> </ul>	<ul style="list-style-type: none"> <li>Provided e-learning on the subject of the environment and DVD training to all employees (from July to August 2021)</li> <li>Number of employees who pass the Eco Test: 108 (pass rate: 87.1%)</li> <li>Achieved four projects originating with employee ideas</li> </ul>	<p>○</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Provide environmental education to all employees</li> <li>Number of employees who pass the Eco Test: 50</li> </ul>

### Environmental Data

	Unit	FY2019	FY2020	FY2021
Number of stores	Stores	15	15	10
CO <sub>2</sub> emissions <sup>*1*2*3</sup>	t-CO <sub>2</sub>	116,173	96,947	86,750
CO <sub>2</sub> emissions from store operations <sup>*1*3</sup>	t-CO <sub>2</sub>	115,753	96,565	86,451
Electricity consumption in store operations <sup>*1</sup>	GWh	211	178	160
Water usage in store operations <sup>*1</sup>	1,000m <sup>3</sup>	1,583	1,160	1,084
Consumption of container and packaging materials	t	1,281	719	330
Waste disposal (recycling rate)	t (%)	21,060 (70.2)	14,129 (71.2)	12,532 (73.9)
Food waste recycling rate	%	72.6	77.8	82.8

\*1 The period of the calculations was conducted from April to March.

\*2 The data represents CO<sub>2</sub> emissions stemming from the use of energy for store, Head Office, corporate sales, and distribution center operations.

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

## Achieve a society in which diverse people can actively participate

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Supporting childcare and elderlies				
	<ul style="list-style-type: none"> <li>Continue to introduce Pre-Mama Stations and Counters, and hold parent-child participation events, maternity classes, and lectures for customers in collaboration with business partners</li> <li>Newly foster specialty sales personnel to support customers                             <ul style="list-style-type: none"> <li>Shopping supporters for the elderly and people with disabilities: 10</li> <li>Dementia supporters: cumulative total: 5,300</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Group-format events and lectures canceled as part of steps to curb the COVID-19 pandemic, individual consultations held instead</li> <li>Employees did not participate in external seminars as part of steps to curb the COVID-19 pandemic, in-house training held on a smaller scale                             <ul style="list-style-type: none"> <li>"Heartful advisor" training: suspended</li> <li>Dementia supporters: cumulative total: 5,148</li> </ul> </li> </ul>	<p>○</p> <p>△</p>	<ul style="list-style-type: none"> <li>Continue with Pre-Mama Stations and Counters, hold participation-based classes and lectures</li> <li>Increase the number of dementia supporters, especially amongst new employees                             <ul style="list-style-type: none"> <li>Dementia supporters: cumulative total: 5,200</li> </ul> </li> </ul>

## Improve work engagement and environment for people working in Group businesses

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Assistance on childcare				
	<ul style="list-style-type: none"> <li>Percentage of childcare leave taken by male employees: 15.0%</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of childcare leave taken by male employees: 50.0%</li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>Percentage of childcare leave taken by male employees: 50.0%</li> </ul>
Development of human resources				
	<ul style="list-style-type: none"> <li>Support on attendance for various kinds of employee training                             <ul style="list-style-type: none"> <li>Fundamental training using videos (ClipLine)</li> <li>New employees: 67</li> <li>GLOBIS All-you-can-learn seminar</li> <li>Total number of people completing the course: 800</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Number of various training takers                             <ul style="list-style-type: none"> <li>Fundamental training using videos (ClipLine)</li> <li>New employees: 67</li> <li>GLOBIS All-you-can-learn seminar</li> <li>Total number of people completing the course: 980</li> </ul> </li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>Support on attendance for various kinds of employee training                             <ul style="list-style-type: none"> <li>Fundamental training using videos (ClipLine)</li> <li>New employees in 2022: 29</li> <li>GLOBIS All-you-can-learn seminar</li> <li>Total number of people completing the course: 1,200</li> <li>SC management operations course</li> <li>Total number of people completing the course: 300</li> </ul> </li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>Annual total working hours: 1,871.3 hours (average monthly overtime per employee: 6.25 hours)</li> <li>Percentage of annual paid leave taken: 50.0%</li> </ul>	<ul style="list-style-type: none"> <li>Annual total working hours: 1865.3 hours (average monthly overtime per employee: 10.3 hours, special leave taken due to COVID-19: down 80 hours for year)</li> <li>Percentage of annual paid leave taken: 36.1%</li> </ul>	<p>○</p> <p>△</p>	<ul style="list-style-type: none"> <li>Annual total working hours: 1912.5 hours (average monthly overtime per employee: 10.0 hours)</li> <li>Percentage of annual paid leave taken: 50.0%</li> </ul>
Assuring occupational safety and health				
	<ul style="list-style-type: none"> <li>Provide healthy meal options at employee cafeterias and implement online mental health training</li> </ul>	<ul style="list-style-type: none"> <li>Implemented health campaign tie-up program with employee cafeteria for obese individuals, based on health exam results. 70% of participants lost weight (2 kgs or more)</li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>Implement group analysis subsequent to stress checks, and hold mental health seminars</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>Encourage promotion of limited store staff in response to diversification in work styles: 20</li> <li>Percentage of female managers (section manager): 20.0%</li> </ul>	<ul style="list-style-type: none"> <li>Encourage promotion of limited store staff: 8</li> <li>Percentage of female managers (section manager): 13.4% (25, increase of 4 on previous year)</li> </ul>	<p>×</p> <p>×</p>	<ul style="list-style-type: none"> <li>Encourage promotion of limited store staff in response to diversification in work styles: 20</li> <li>Percentage of female managers (section manager): 16.1% (31)</li> <li>Percentage of employees with disabilities: 2.7%</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2022)		(persons)
Full-time employees**		2,339
	Male	1,481
	Female	858
Part-time staff**		1,855
	Male	207
	Female	1,648
Number of employees (full-time employees + part-time staff)		4,194
	Male	1,688
	Female	2,506
New graduate employees hired		37
	Male	8
	Female	29
Mid-career employees hired		1
	Male	1
	Female	0

	FY2019	FY2020	FY2020
Average length of service (full-time employees)	23 years 0 month	22 years 11 months	23 years 0 months
Number of full-time employees who took childcare leave (males, part-time staff)* <sup>3</sup>	183 (7, 101)	177 (3, 95)	170 (6, 81)
Number of full-time employees who took nursing care leave (males, part-time staff)* <sup>3</sup>	11 (0, 9)	1 (0, 0)	8 (0.5)
Number of volunteer leave recipients	NA	NA	NA
Number of female managers (percentage)* <sup>4</sup>	327 (35.2%)	230 (33.5%)	121 (23.6%)
Team leader	269 (59.0%)	188 (62.3%)	76 (45.5%)
Section manager	35 (13.0%)	21 (10.4%)	25 (13.4%)
Division manager	23 (11.3%)	21 (12.2%)	20 (12.6%)
Corporate officer* <sup>5</sup>	2 (8.3%)	2 (8.3%)	3 (15.0%)
Percentage of employees with disabilities* <sup>6</sup>	2.22%	2.10%	2.53%
Percentage of paid leave taken by full-time employees	20.8%	36.4%	37.4%
Frequency rate of workplace accidents	0.69	0.24	0.32
Severity rate of workplace accidents	0.01	0.00	0.28

\*1 The figure includes 204 persons reemployed after mandatory retirement.

\*2 Monthly average, with 8 hours/day counted as one employee. Including contractual employees.

\*3 Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

\*4 The percentage of team leaders or higher positions, excluding corporate officers.

\*5 The percentage of female corporate officers is as of May 31 of the following fiscal year.

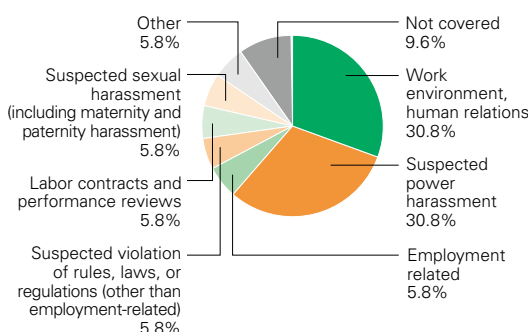
\*6 The percentage for the fiscal year is as of June 1 of the following fiscal year.

## Data from Helpline for Employees

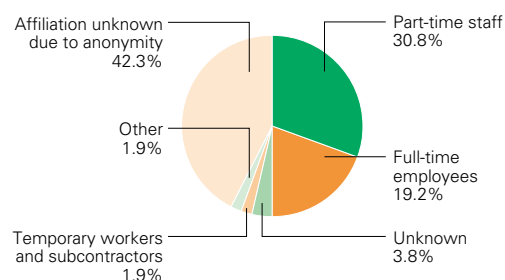
The number of cases received in FY2021 increased by approximately 6% compared to the previous year, with more than 60% arising from power harassment or the work environment.

When reports come to light, we first clarify the circumstances as well as the causes and issues and then work on measures to improve and prevent reoccurrence through advice from corporate lawyers and collaboration with the relevant departments. We will continue to conduct regular employee training on compliance and risk management and endeavor to prevent incidents and accidents by fostering a thorough awareness of the issues.

### Breakdown of reports by category for FY2021 Reports received: 52 (up 6.1% from the previous fiscal year)



### By user category



## Create an ethical society through dialogue and collaboration with customers

### FY2021 Targets/Results and FY2022 Targets

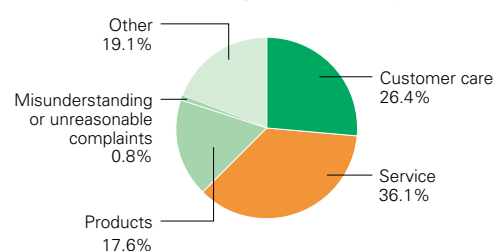
○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Offering eco-friendly products and encouraging re-use in collaboration with business partners				
	<ul style="list-style-type: none"> <li>Strengthen the development of eco-friendly products at each store</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable products were provided throughout the year under program title "My choices change the world." Sustainable shops such as ETHICAL CONVENI shops opened for limited-time-only</li> </ul>	○	<ul style="list-style-type: none"> <li>Implement hanger re-use program at the time of delivery at all department store locations Annual total: 270,000 hangers (15,000 more than previous year)</li> <li>Hold product collection fairs in collaboration with business partners</li> </ul>
Responding sincerely to customers' opinions				
	<ul style="list-style-type: none"> <li>Continue to speedily respond to customers' opinions received at stores or online</li> <li>Reduce the number of complaints from customers: Below 2,100</li> </ul>	<ul style="list-style-type: none"> <li>Customer support of each store acts as hub in collaboration with related departments. In general, customer questions and opinions are answered within three days</li> <li>Number of complaints from customers in FY2021: 1,599</li> </ul>	○  ○	<ul style="list-style-type: none"> <li>Continue to speedily respond to customers' opinions received at stores</li> <li>Make improvements in response to last year's customer complaints</li> </ul>

### Data from Customer Support

We continued to share internally the customers' opinions and requests sent to the customer support at each store, so that they could be used to improve our customer care services and operations, together with our product lineups, ancillary services and facilities, and are reflecting these in our business policies. In FY2021, the number of inquiries and opinions on strategies to curb the pandemic as well as store closings fell significantly on the previous year of 2020 (at which time the number of such inquiries had risen). Meanwhile, looking at the breakdown of consultations, the number of inquiries regarding service launch of a new credit application rose, and the share of services amongst the total also rose.

Breakdown of inquiries by category for FY2021  
Inquiries received: 7,719  
(down 56.9% from the previous fiscal year)



## Achieve a sustainable society through partnerships

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Promoting regional development				
	<ul style="list-style-type: none"> <li>Strengthen initiatives in collaboration with governments</li> <li>Establish early voting stations and make announcements for each election to improve convenience and turnout</li> <li>Enhance promotion of local production and local consumption</li> <li>Continue to clean the areas around stores, beautify the environment, and promote rooftop green spaces</li> <li>Continue to implement events in collaboration with local communities (governments, schools, companies, NPOs, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Implemented initiatives at store locations, including regular childcare support events through an FF partnership agreement with Toshima City</li> <li>Set up four early voting stations for the 49th House of Representatives election (Ikebukuro main store/Chiba store/Fukui store/Higashi-Totsuka S.C.)</li> <li>Showcased regional specialties for the mid-year gift and winter gift catalogs</li> <li>Launched the "City Oasis" on the roof of Ikebukuro main store, in addition to implementing monthly cleanup drives for the areas around each store</li> <li>Held special events at various stores in conjunction with localities, including SDGs event at Chiba store as well as the "Blooming Flowers" project at the Ikebukuro main store</li> </ul>	○  ○  ○  ○	<ul style="list-style-type: none"> <li>Continue initiatives in collaboration with governments, including comprehensive partnership agreements with municipalities</li> <li>Promote local production and local consumption</li> <li>Promote cleaning and beautification of area around stores</li> <li>Continue to implement events in collaboration with local communities (governments, schools, companies, NPOs, etc.)</li> </ul>

## Disaster Assistance

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Providing support for disasters				
	<ul style="list-style-type: none"> <li>Continue implementation of disaster prevention education and training in collaboration with the government as part of employee education</li> <li>Implement efforts with fire departments and governments to improve disaster prevention capabilities in collaboration with local businesses</li> <li>Actively participate in various training sessions and initiatives as a representative of local businesses to strengthen cooperation with government officials *Government agencies, local fire stations, and local businesses to decide on whether or not the Council to Address People Experiencing Difficulty Getting Homes and Council to Address Overcrowding Around Train Stations, and local disaster prevention training sessions can be held</li> </ul>	<ul style="list-style-type: none"> <li>Held disaster prevention training and drills at each store in tandem with Disaster Prevention Volunteer Week, Disaster Prevention Month, and Fire Prevention Week</li> <li>Not held events such as regional disaster prevention drills held in collaboration with the local fire stations and local businesses, as well as the Self-Defense Firefighting Review Committee, in order to help curb the spread of COVID-19</li> <li>Not held the Council to Address People Experiencing Difficulty Getting Homes, Council to Address Overcrowding Around Train Stations, and the Regional Joint Fire Prevention and Disaster Prevention Council in collaboration with the government agencies and local businesses, in order to help curb the spread of COVID-19</li> </ul>	<p>○</p> <p>—</p> <p>—</p>	<ul style="list-style-type: none"> <li>Continue implementation of disaster prevention education and training in collaboration with the government and participation in the Self-Defense Firefighting Review Committee, etc.as part of employee education</li> <li>Implement efforts with fire departments and governments to improve disaster prevention capabilities in collaboration with local businesses</li> <li>Actively participate in various training sessions and initiatives as a representative of local businesses to strengthen cooperation with government officials</li> </ul>

## Social Contribution Activities

### FY2021 Targets/Results and FY2022 Targets

○: Achieved    △: Almost achieved    x: Far from achieved

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Continued social contribution activities with customer participation				
	<ul style="list-style-type: none"> <li>Continue children's shoe donations (8 stores) Cumulative total objective of 1.06 million pairs</li> <li>Continue cooperation with businesses that train guide dogs</li> <li>Number of planted trees: 1,500 trees</li> </ul>	<ul style="list-style-type: none"> <li>Children's shoes donation: cumulative total of 1.07 million pairs</li> <li>Set up donation boxes in stores and implemented campaigns Cumulative total donations: 699.29 million yen</li> <li>New tree planting involving recommendations for "green wrapping" and simple packaging: 2,253 (Total: 18,233)</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>Continue children's shoe donations (8 stores) Cumulative total objective of 1.14 million pairs</li> <li>Continue cooperation with businesses that train guide dogs Cumulative total donations: 725 million yen</li> <li>Continue with tree planting and cultivating Cumulative total number of planted trees: 19,250</li> </ul>

## Provide safe, reliable, and healthier merchandise and services

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>Total product return rate: Down at least 10% compared to the previous fiscal year</li> <li>Work to prevent product-related accidents by identifying their root causes and taking countermeasures</li> </ul>	<ul style="list-style-type: none"> <li>Total product return rate: Up 17% compared to the previous fiscal year</li> <li>Newly-established a format for the Report for Improving Major Defect and held hearings, with an emphasis on those involving business partners</li> </ul>	×	<ul style="list-style-type: none"> <li>Total product return rate: Down at least 5% compared to the previous fiscal year</li> <li>Work to prevent product-related accidents by identifying their root causes and taking countermeasures</li> </ul>
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> <li>Implement anti-bacterial and anti-viral measures at all stores</li> </ul>	<ul style="list-style-type: none"> <li>Completed construction for anti-bacterial and anti-viral measures at all stores</li> </ul>	○	<ul style="list-style-type: none"> <li>Newly introduce anti-droplet measures at cash registers and service counters in all stores</li> </ul>
Providing appropriate information				
	<ul style="list-style-type: none"> <li>Conduct training for new buyers on abuse of advantageous position, the Subcontract Act, and the Act against Unjustifiable Premiums and Misleading Representations</li> <li>Conduct training on the Subcontract Act for relevant departments</li> <li>Issue internal newsletters four times during the year and share information appropriately</li> </ul>	<ul style="list-style-type: none"> <li>Drafted "Precautions during Store POP drafting" resources from the standpoint of the Act against Unjustifiable Premiums and Misleading Representations, and sent out to all stores</li> <li>Provided information to employees through the publication of internal newsletters four times during the year</li> </ul>	△	<ul style="list-style-type: none"> <li>Conduct training for new buyers on abuse of advantageous position, the Subcontract Act, and the Act against Unjustifiable Premiums and Misleading Representations</li> <li>Implement briefings on precautions involving sales promotion measures at product sales promotions meetings</li> <li>Issue internal newsletters four times during the year and share information appropriately</li> </ul>

## Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>Gas heat pump air conditioning facilities: Replace at three stores (reduction of approximately 50 tons of CO<sub>2</sub> annually)</li> <li>LED lighting: Replace at 23 stores (reduction of approximately 300 tons of CO<sub>2</sub> annually)</li> </ul>	<ul style="list-style-type: none"> <li>Gas heat pump air conditioning facilities: Replaced at one store (reduction of approximately 9 tons of CO<sub>2</sub> annually)</li> <li>LED lighting: Replaced at 22 stores (reduction of approximately 221 tons of CO<sub>2</sub> annually)</li> </ul>	△	<ul style="list-style-type: none"> <li>Gas heat pump air conditioning facilities: Replace at two stores (reduction of approximately 20 tons of CO<sub>2</sub> annually)</li> <li>LED lighting: Replace at 10 stores (reduction of approximately 100 tons of CO<sub>2</sub> annually)</li> </ul>
Reducing waste and developing a circular economy				
	<ul style="list-style-type: none"> <li>Plastic bag non-purchase rate: 88%</li> </ul>	<ul style="list-style-type: none"> <li>Plastic bag non-purchase rate: 83.3%</li> </ul>	×	<ul style="list-style-type: none"> <li>Plastic bag turndown rate: 85%</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>Continue to raise employee environmental awareness using internal newsletters (issued four times annually)</li> <li>Raise awareness further by participating in group-linked projects</li> </ul>	<ul style="list-style-type: none"> <li>Raised employee environmental awareness by distributing internal newsletters (issued four times during the year)</li> <li>Extended initiatives started at Head Office, such as food drives, to stores, and increased number of locations on each occasion held</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue to raise employee environmental awareness using internal newsletters (issued four times annually)</li> <li>Participate in group-linked projects and raise overall awareness through sharing internally</li> </ul>

### Environmental Data

	Unit	FY2019	FY2020	FY2021
CO <sub>2</sub> emissions <sup>*1*</sup>	t-CO <sub>2</sub>	14,645	13,703	12,530
CO <sub>2</sub> emissions from store operations (per store) <sup>*1*</sup>	t-CO <sub>2</sub>	14,478 (124)	13,529 (116)	12,360 (102)
Electricity consumption in store operations <sup>*1</sup>	GWh	27	27	25
Water usage in store operations <sup>*1</sup>	1,000m <sup>3</sup>	20	15	14
Plastic bag turndown rate	%	6.1	7.6 (to June 30) 85.7 (from July 1 to February 28)	83.3

\*1 The period of the calculations was from April to March.

\*2 The data represents CO<sub>2</sub> emissions stemming from the use of energy for store and Head Office operations.

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

## Achieve a society in which diverse people can actively participate

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Supporting childcare and elderlies				
	<ul style="list-style-type: none"> <li>Aim to place dedicated maternity advisors (advisors who primarily assist with preparations for childbirth) at all stores (other than new stores)</li> </ul>	<ul style="list-style-type: none"> <li>Stores without maternity advisors: 8 (other than new stores)</li> </ul> <p>Although certification was completed in December each year, difficulties remained in achieving placement of maternity advisors at all store locations, due to retirement of qualified employees and other factors. While full-time employees have temporarily taken on the additional duties and are providing services at stores where maternity advisors are not available, training candidate advisors at stores remains a key issue</p>	△	<ul style="list-style-type: none"> <li>Aim to place dedicated maternity advisors at all stores (other than new stores)</li> <li>*Increase certification from once a year (December) to twice a year (June and December) from FY2022, toward placement at all stores</li> </ul>

## Improve work engagement and environment for people working in Group businesses

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Development of human resources				
	<ul style="list-style-type: none"> <li>Consolidate twice-annual correspondence training to once annually and facilitate participation by switching to monthly recruiting</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence training convened on a monthly basis in FY2021, with 10 held in total (September to following July)</li> <li>Number of applications: 86 (up 8% compared to the previous fiscal year)</li> <li>Improvement of completion rate from 35% to 56%</li> <li>Ease of participation yielded successful outcomes</li> </ul>	○	<ul style="list-style-type: none"> <li>Update system for viewing on smartphones, to facilitate active use by staff during their spare time</li> <li>Update system so that processes from application through course participation can be completed via the website rather than using the booklet</li> <li>Number of applications: 100 (up 16% compared to the previous fiscal year)</li> </ul>
Implementing fair assessment and treatment of employees				
	<ul style="list-style-type: none"> <li>Percentage of employees who take leave: 100%</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of employees who take leave: 100%</li> </ul>	○	<ul style="list-style-type: none"> <li>Percentage of employees who take leave: 100%</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>Monthly overtime per person: less than 6 hours</li> </ul>	<ul style="list-style-type: none"> <li>Monthly overtime per person: 5.9 hours</li> </ul>	○	<ul style="list-style-type: none"> <li>Monthly overtime per person: 6 hours</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>Stores without a part-time leader: 0</li> <li>Percentage of female managers (section manager level): 30%</li> </ul>	<ul style="list-style-type: none"> <li>Stores without a part-time leader: 2</li> <li>Percentage of female managers (section manager level): 24%</li> </ul>	×	<ul style="list-style-type: none"> <li>Stores without a part-time leader: 0</li> <li>Percentage of female managers (section manager level): 30%</li> </ul>
Assuring occupational safety and health				
	<ul style="list-style-type: none"> <li>Number of workplace accidents: less than 30</li> </ul>	<ul style="list-style-type: none"> <li>Actual number of accidents at work: 35</li> </ul>	×	<ul style="list-style-type: none"> <li>Number of accidents at work: less than 30</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2022)		(persons)
Full-time employees*1		908
	Male	519
	Female	389
Part-time staff*2		1,658
	Male	96
	Female	1,562
Number of employees (full-time employees + part-time staff)		2,566
	Male	615
	Female	1,951
New graduate employees hired		22
	Male	10
	Female	12
Mid-career employees hired		5
	Male	5
	Female	0

	FY2019	FY2020	FY2021
Average length of service (full-time employees)	14 years 7 months	14 years 2 months	15 years 2 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	132 (0, 94)	124 (1, 80)	83 (0, 52)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	1 (0, 1)	3 (0, 3)	0 (0, 0)
Number of volunteer leave recipients	NA	NA	NA
Number of female managers (percentage)*4	200 (36.1%)	199 (35.9%)	194 (34.6%)
Team leader	139 (51.1%)	135 (51.3%)	128 (51.0%)
Section manager	56 (22.5%)	59 (23.0%)	58 (22.9%)
Division manager	5 (15.2%)	5 (17.2%)	8 (17.0%)
Corporate officer*5	1 (6.7%)	2 (13.3%)	2 (11.8%)
Percentage of employees with disabilities*6	2.26%	2.79%	2.86%
Percentage of paid leave taken by full-time employees	38.6%	62.4%	69.9%
Frequency rate of workplace accidents	0.33	0.86	1.46
Severity rate of workplace accidents	0.03	0.03	0.08

\*1 The figure includes 17 persons reemployed after mandatory retirement.

\*2 Monthly average, with 8 hours/day counted as one employee. Including contractual employees.

\*3 Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

\*4 The percentage of team leaders or higher positions, excluding corporate officers

\*5 The percentage of female corporate officers is as of May 31 of the following fiscal year.

\*6 The percentage for the fiscal year is as of June 1 of the following fiscal year.

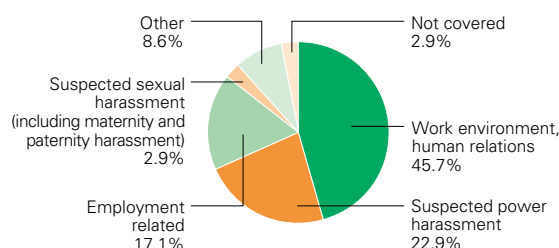
## Data from Helpline for Employees

The total number of reports was down by six from the previous year. Reports relating to "Work environment, human relations," and "Suspected power harassment" were the most numerous, accounting for around 70% of the total. There was an increase in the number of reports relating to "Work environment, human relations" in particular, when compared to the previous year. In the previous fiscal year, many cases requiring responses by Head Office also arose (as these included those related to COVID-19); while in FY2021 most cases which arose were those requiring responses by stores. In addition, in FY2021, posters were distributed and displayed at Head Office and all stores as part of activities to raise awareness of the internal whistleblowing system. Harassment training, reflecting the content of recent reports, was furthermore implemented for all store managers at store manager meetings, alongside efforts to appropriately manage and administer the systems relating to reports in accordance with the Whistleblower Protection Act and related rules and regulations.

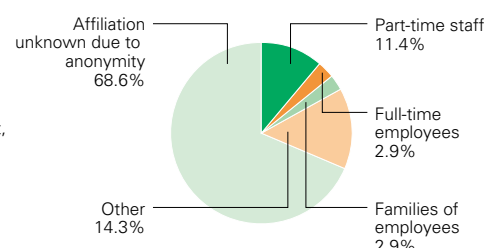
### Breakdown of reports by category for FY2021

Reports received: 35

(down 14.6% compared to the previous fiscal year)



### By user category



## Create an ethical society through dialogue and collaboration with customers

### FY2021 Targets/Results and FY2022 Targets

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

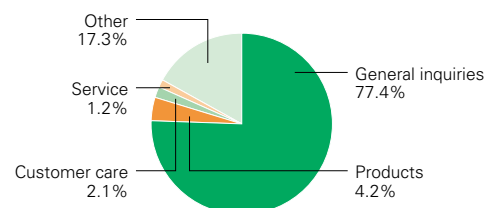
Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Responding sincerely to customers' opinions				
	<ul style="list-style-type: none"> <li>Customer complaint target: Same as the previous year, lower than the previous year's performance</li> <li>Share information on customer opinions internally on a weekly and monthly basis, propose improvements and raise issues from the customer's perspective</li> <li>Check social media twice daily, quickly pick up on trends and customer evaluations, and respond accordingly</li> <li>Continue to develop manuals, establish environments where staff can respond to customers quickly and properly, and respond to customers' feelings</li> <li>Internally share not just customer complaints, but also examples of success including customer praise and thanks to create a culture of mutual admiration and motivation among staff</li> </ul>	<ul style="list-style-type: none"> <li>Number of customer complaints: 389 (up 107, or 37.9% from the previous fiscal year); PPM value: 24.7 (up 5.9 from the previous fiscal year)</li> <li>With the continuation of the COVID-19 pandemic, the overall number of customers remained unchanged from the previous year. However, both the number of customer complaints and the PPM value increased</li> <li>The increase in the number of customer complaints may be attributable to the wide variety of customer requests and the many situations in which it was difficult to respond to these under the COVID-19 pandemic</li> <li>Cases of customer praise and thanks: 70 (up 2, or 3% from the previous fiscal year)</li> <li>Gained customer support by being attentive and responding with courtesy to their feelings</li> <li>Wide-ranging and speedy collection, and in-house sharing of customers' voices by strengthening the checking of opinions received not only directly by customer support but also on social media and the analysis of receipt questionnaires</li> </ul>	×	<ul style="list-style-type: none"> <li>Customer complaint target: lower than the previous year's performance</li> <li>Collate customer feedback with a focus on (1) Opinions received at customer support, (2) Checking of social media, and (3) Receipt questionnaires</li> <li>Share complaints/praise/opinions/inquiries, and other information internally, either immediately, or on a daily/weekly/monthly basis depending on their content.</li> <li>Propose improvements and raise issues with staff on current services and operations based on feedback from customers</li> <li>Post customer praise and thanks on internal information sharing system, rather than limiting sharing to the store in question or the person in charge, as a means to increase staff motivation internally</li> </ul>

\*PPM (complaint rate) ... Number of complaints/number of customers visiting stores/calculated in parts per million

### Data from Customer Support

Customer support operates 24 hours a day, seven days a week, and offers toll-free phone calls. We listen to customer requests, opinions, and inquiries, while also getting alongside them and responding in a speedy and honest manner. Since many of our customers are first-time users of our services, they have numerous problems, things that they do not know, and uncertainties. In order to alleviate such anxieties even a little, we strive to deliver kind customer care. Also, rather than following past business and customer response practices, we are thinking about the future, making proposals, and responding to customers.

### Breakdown of inquiries by category for FY2021 Inquiries received: 11,740 (down 3.8% from the previous fiscal year)



## Disaster Assistance

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Providing support for disasters				
	<ul style="list-style-type: none"> <li>Provide necessary support in collaboration with the Group</li> </ul>	<ul style="list-style-type: none"> <li>Collected donations and engaged in other activities</li> </ul>	○	<ul style="list-style-type: none"> <li>Provide necessary support in collaboration with the Group</li> </ul>

# Seven & i Food Systems Co., Ltd.

Website: <https://www.7andi-fs.co.jp/csr/> (in Japanese)

Number of stores as of fiscal year ended February 28, 2022: 545 (including 38 FC stores)

## Provide safe, reliable, and healthier merchandise and services

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>Further strengthen cooperation with manufacturers with regard to nutritional components and allergen labeling for new and changed products</li> <li>Store complaints: 80% compared to the previous fiscal year</li> <li>Number of compliments: 110% compared to the previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>Acquired information from manufacturers on nutritional components and allergens for new and changed products prior to introduction</li> <li>Store complaints: 79.5% compared to FY2020</li> <li>Number of compliments: 87.2% compared to the FY2020</li> </ul>	<p>○</p> <p>△</p>	<ul style="list-style-type: none"> <li>Collaborate with QC to hold factory inspections. Make inspections mandatory for new plants, and implement inspections for the top 12 companies by transaction amounts</li> <li>Store complaints: 80% compared to FY 2021</li> <li>Number of compliments: 110% compared to FY2021</li> </ul>
Providing appropriate information				
	<ul style="list-style-type: none"> <li>In conjunction with display of the total price (including taxes) becoming mandatory in April 2021, the ratio of font sizes of the main price and the price including taxes displayed on menu media will be 10 (main price) to 7 (price including taxes)</li> </ul>	<ul style="list-style-type: none"> <li>Completed 10 to 7 price ratio display as part of information included on displays of owned media, including menu media, takeouts, delivery leaflets, and websites</li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>Compliance regarding labeling of limited quantities on displays, and on displays in accordance with the Consumer Affairs Agency's operating standards, and operational compliance on the external display of information on products with limited quantities, such as seasonal products</li> </ul>

## Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>Install on a test basis air conditioning control devices that will lead to energy savings (target: 3 stores)</li> </ul>	<ul style="list-style-type: none"> <li>Installed demand control test systems at two stores</li> <li>*Yielded 8% reduction in electricity consumption by air conditioning</li> </ul>	<p>△</p>	<ul style="list-style-type: none"> <li>Expand installation of stores with demand control systems: 29 stores</li> </ul>
Reducing waste and developing a circular economy				
	<ul style="list-style-type: none"> <li>Receive certification of food recycling loop for coffee grounds</li> <li>Food waste recycling rate: 55%</li> </ul>	<ul style="list-style-type: none"> <li>Submitted applications for certification to the Ministry of Agriculture, Forestry and Fisheries, the Ministry of the Environment, and the Ministry of Health, Labour and Welfare</li> </ul>	<p>△</p>	<ul style="list-style-type: none"> <li>Acquire food recycling loop certification by the end of the fiscal year</li> <li>Create a new food recycling scheme using compost</li> <li>Food waste recycling rate: 57.0%</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>Change the test-taking format for the Eco Test to Internet based testing (IBT) in the first half and encourage employees, particularly new employees hired in FY2021, to take the test starting in the second half</li> </ul>	<ul style="list-style-type: none"> <li>Implemented IBT-format test-taking</li> <li>New employees passing test: 16</li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>Systematic IBT-format test-taking for employees who have not passed the Eco Test</li> <li>20 to 25 employees (40 to 50 annually) to take the test on each occasion testing held. Back-up with company-wide support pairing internal study groups and mock examinations</li> </ul>

### Environmental Data

	Unit	FY2019	FY2020	FY2021
CO <sub>2</sub> emissions <sup>*1*2*3</sup>	t-CO <sub>2</sub>	64,894	51,533	39,994
CO <sub>2</sub> emissions from store operations <sup>*1*3</sup>	t-CO <sub>2</sub>	62,897	49,516	38,361
CO <sub>2</sub> emissions from delivery vehicles <sup>*1*3*4</sup>	t-CO <sub>2</sub>	1,856	1,906	1,535
Electricity consumption in store operations <sup>*1</sup>	GWh	115	96	78
Water usage in store operations <sup>*1*4</sup>	1,000m <sup>3</sup>	1,353	1,146	1,135
Waste disposal (recycling rate)	t (%)	8,959 (22.8)	7,454 (24.6)	7,379
Food waste recycling rate	%	55.3	50.8	56.4

\*1 The period of the calculations was from April to March.

\*2 The data represents CO<sub>2</sub> emissions stemming from the use of energy for store operations (Seven & i Food Systems) and by delivery trucks.

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

\*4 The values are for Denny's only.

## Achieve a society in which diverse people can actively participate

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Supporting childcare and elderlies				
	<ul style="list-style-type: none"> <li>Implement measures to prevent the spread of COVID-19 (shift to the earlier system as infection conditions in Japan settle down)</li> <li>Encourage food education classes using new formats without holding in-person classes (expand implementing stores from the Kanto)</li> </ul>	<ul style="list-style-type: none"> <li>Workplace experiences were not held from the standpoint of preventing the spread of COVID-19. Food education classes were held in-person on three occasions, during periods in which there was no declaration of a state of emergency or declaration on measures to prevent the spread of infectious disease in place</li> <li>Besides these, new food education classes were held in online formats on five occasions (extended to stores in Aichi Prefecture)</li> </ul>	○	<ul style="list-style-type: none"> <li>Aim to resume in-person workplace experiences and food education classes once the status of COVID-19 infections settles down in Japan. However, in the current circumstances, work on prioritizing measures to prevent the spread of infections</li> </ul>

## Improve work engagement and environment for people working in Group businesses

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Development of human resources				
	<ul style="list-style-type: none"> <li>Human resource development training for store managers: Hold 35 times (for 396 people)</li> <li>Development training for trainers on the manager and lower level: Hold 21 times (for 195 people)</li> <li>Manager appointment training: Hold 16 times (to be held as appointed)</li> <li>Young employee training                             <ul style="list-style-type: none"> <li>Newly hired employees: Hold 10 times (for 160 people total)</li> <li>Employees in their second year of employment: Hold 8 times (for 168 people total)</li> <li>Employees in their third year of employment: Hold 8 times (for 248 people total)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Human resource development training for store managers: Held 41 times (340 people)</li> <li>Capacities development training: Held 43 times (1,397 people)</li> <li>Management training on appointment: Held 14 times (109 people)</li> <li>Young employee training                             <ul style="list-style-type: none"> <li>Newly hired employees: Held 14 times (for 235 people total)</li> <li>Employees in their second year of employment: Held 8 times (for 164 people total)</li> <li>Employees in their third year of employment: Held 8 times (for 125 people total)</li> </ul> </li> </ul>	○	<ul style="list-style-type: none"> <li>7FS Values Day: Hold 24 times (644 people)</li> <li>Management training on appointment: Hold 16 times (As need per appointment)</li> <li>Executive leadership training: Hold 5 times (for 218 people total)</li> <li>DM Leadership training (two-day): Hold 4 times (for 95 people total)</li> <li>DM hospitality training: Hold once (41 people)</li> <li>Young employee training                             <ul style="list-style-type: none"> <li>Employees in their second year of employment: Hold 10 times (for 130 people total)</li> <li>Employees in their third year of employment: Hold 10 times (for 120 people total)</li> <li>Store manager skills development training: Hold 31 times (for 376 people total)</li> </ul> </li> </ul>
Implementing fair assessment and treatment of employees				
	<ul style="list-style-type: none"> <li>After reviewing the evaluation items, the quantitative evaluation system will be launched starting with some employees</li> </ul>	<ul style="list-style-type: none"> <li>Introduced quantitative evaluation for Denny's store managers</li> </ul>	○	<ul style="list-style-type: none"> <li>Complete revision of personnel systems, encompassing revisions of evaluation systems; grading systems within duties and responsibilities; and promotion and demotion standards</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>Average monthly overtime                             <ul style="list-style-type: none"> <li>Full-time employees: 6h</li> <li>Contract employees: 5h</li> <li>Part-time: 1.5h</li> </ul> </li> <li>Monthly rate of leave-taking: 97% or more</li> </ul>	<ul style="list-style-type: none"> <li>Average monthly overtime                             <ul style="list-style-type: none"> <li>Full-time employees: 7.2h</li> <li>Contract employees: 6.2h</li> <li>Part-time: 1.0h</li> </ul> </li> <li>Monthly rate of leave-taking: 98.90% or more</li> </ul>	○ ○ ○ ○	<ul style="list-style-type: none"> <li>Average monthly overtime                             <ul style="list-style-type: none"> <li>Full-time employees: 12h or less</li> <li>Contract employees: 11h or less</li> <li>Part-time: 1.2h or less</li> </ul> </li> <li>Monthly rate of leave-taking: 98% or more</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>Percentage of seniors employed: 7% or more</li> <li>Number of foreign employees: 250</li> <li>Percentage of female managers                             <ul style="list-style-type: none"> <li>Section manager or higher position: 12%</li> <li>Team leader or higher position: 30%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Percentage of seniors employed: 7.92%</li> <li>Number of foreign employees: 168</li> <li>Percentage of female managers                             <ul style="list-style-type: none"> <li>Section manager or higher position: 6.5%</li> <li>Team leader or higher position: 16.00%</li> </ul> </li> </ul>	○ × × ×	<ul style="list-style-type: none"> <li>Percentage of seniors employed: 8% or more</li> <li>Number of foreign employees: 140</li> <li>Percentage of female managers                             <ul style="list-style-type: none"> <li>Section manager or higher position: 11%</li> <li>Team leader or higher position: 22%</li> </ul> </li> </ul>
Assuring occupational safety and health				
	<ul style="list-style-type: none"> <li>Number of occupational accidents at work: 250</li> <li>Participation rate in regular health checks by employees: 99.0%</li> <li>Participation rate in secondary health checks by employees: 68.6%</li> <li>Participation rate in health checks by employees who work the late-night shift: 87.7%</li> <li>Stress check-up rate: 98%</li> </ul>	<ul style="list-style-type: none"> <li>Number of occupational accidents at work: 226</li> <li>Participation rate in regular health checks by employees: 99.70%</li> <li>Participation rate in secondary health checks by employees: 72.4%</li> <li>Participation rate in health checks by employees who work the late-night shift: 100%</li> <li>Stress check-up rate: 99.1%</li> </ul>	○ ○ ○ ○ ○	<ul style="list-style-type: none"> <li>Number of occupational accidents at work: 200</li> <li>Participation rate in regular health checks by employees: 100%</li> <li>Participation rate in secondary health checks by employees: 80%</li> <li>Participation rate in health checks by employees who work the late-night shift: 100%</li> <li>Stress check-up rate: 99%</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2022) (persons)		
Full-time employees*1		885
	Male	711
	Female	174
Part-time staff*2		3,890
	Male	900
	Female	2,990
Number of employees (full-time employees + part-time staff)		4,775
	Male	1,611
	Female	3,164
New graduate employees hired		16
	Male	8
	Female	8
Mid-career employees hired		0
	Male	0
	Female	0

	FY2019	FY2020	FY2021
Average length of service (full-time employees)	15 years 10 months	16 years 6 months	16 years 2 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	49 (1, 33)	53 (1, 40)	46 (2, 34)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	1 (0, 1)	0 (0, 0)	0 (0, 0)
Number of volunteer leave recipients	4	0	0
Number of female managers (percentage)*4	224 (25.5%)	199 (24.4%)	168 (24.5%)
Team leader	216 (27.4%)	192 (26.0%)	162 (26.6%)
Section manager	7 (9.0%)	6 (9.4%)	4 (6.6%)
Division manager	1 (7.1%)	1 (6.3%)	2 (11.1%)
Corporate officer*5	4 (26.7%)	4 (26.7%)	4 (26.7%)
Percentage of employees with disabilities*6	2.87%	2.82%	2.86%
Percentage of paid leave taken by full-time employees	58.2%	73.3%	59.5%
Frequency rate of workplace accidents	1.18	0.65	1.44
Severity rate of workplace accidents	0.02	0.03	0.06

\*1 The figure includes 52 persons reemployed after mandatory retirement.

\*2 Monthly average, with 8 hours/day counted as one employee. Including contractual employees.

\*3 Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

\*4 The percentage of team leaders or higher positions, excluding corporate officers.

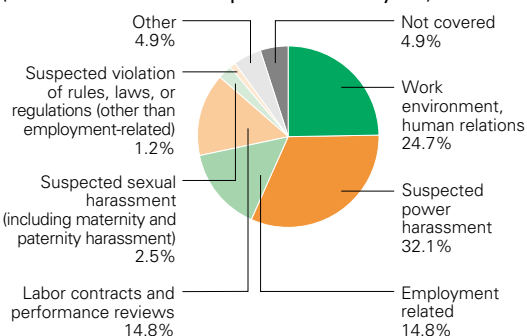
\*5 The percentage of female corporate officers is as of May 31 of the following fiscal year.

\*6 The percentage for the fiscal year is as of June 1 of the following fiscal year.

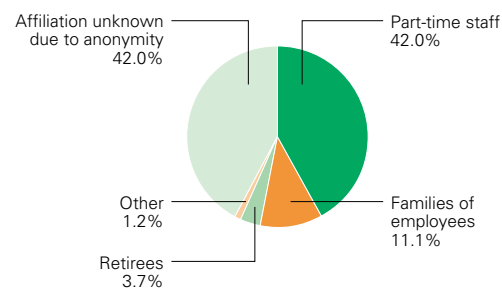
## Data from Helpline for Employees

In FY2021, 81 reports were received, a significant decrease of 52.9% from the previous fiscal year. Nevertheless, the importance of improving work environment is increasing. As such, we will continue to work to improve work environment by focusing our attention on issues of harassment and work-life balance; fostering a company culture that values human resources; and developing strategies to promote communication among colleagues.

### Breakdown of reports by category for FY2021 Reports received: 81 (down 52.9% from the previous fiscal year)



### By user category



## Create an ethical society through dialogue and collaboration with customers

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Responding sincerely to customers' opinions				
	<ul style="list-style-type: none"> <li>Continue sharing customer feedback on a weekly basis; all executive to participate in making improvements</li> </ul>	<ul style="list-style-type: none"> <li>Shared customer feedback with executives (department managers) on a weekly and monthly basis. All executives were aware of issues of concern and promoted improvement activities</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue sharing customer feedback on a weekly basis; all executive to participate in making improvements</li> </ul>

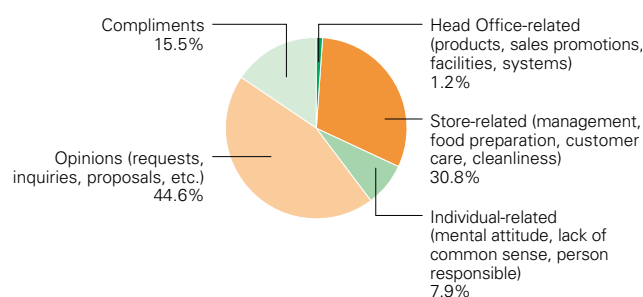
## Data from Customer Support

In FY2021, the number of complaints received decreased to 79.5% compared to the previous fiscal year, while the number of compliments decreased to 87.2%. The top complaints related to food preparation were that the wrong food was served and preparation took too long, and the top complaints relating to customer contact were a lack of concern for the customer and attitudes toward customers.

- Complaints: 3,026 cases in FY2019 to 2,406 cases in FY2020 (a decrease of 620 cases, or 79.5% from the previous fiscal year)
- Compliments: 1,070 cases in FY2019 to 933 cases in FY2020 (a decrease of 137 cases, or 87.2% from the previous fiscal year)

In FY2022, we will work to improve customer satisfaction by responding to each opinion with sincerity, with the aim of reducing the number of store-related complaints received and increasing the number of compliments received.

## Customer support inquiries by topic for FY2021 Inquiries received: 6,023 (down 17.4% from the previous fiscal year)



## Achieve a sustainable society through partnerships

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Promoting regional development	<ul style="list-style-type: none"> <li>Develop menu items that use local ingredients limited to the region</li> <li>Continue cooperation with municipalities on childcare support and reducing food loss</li> <li>Expand the number of food banks to which food is donated and increase support for various regional welfare facilities</li> </ul>	<ul style="list-style-type: none"> <li>Yamanashi Natsukko Mushroom Carbonara sold exclusively at stores</li> <li>Concluded agreements on childcare support with all municipalities in which Denny's is set to open stores</li> <li>Completed one food bank donation</li> <li>Held 3 food drives at Head Office and stores</li> </ul>	<p>○</p> <p>△</p> <p>○</p>	<ul style="list-style-type: none"> <li>Transition from use of imported foodstuff ingredients to domestically-produced ingredients</li> <li>Continue cooperation with municipalities on childcare support and reducing food loss</li> <li>Expand the number of food banks to which food is donated and increase support</li> </ul>

## Disaster Assistance

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Providing support for disasters	<ul style="list-style-type: none"> <li>Continue to respond positively to requests from local governments to take in people who have difficulty returning to their homes following a disaster</li> </ul>	<ul style="list-style-type: none"> <li>Continued the agreements for supporting people having difficulties returning home after a disaster in nine prefectures and cities and the Union of Kansai Governments</li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>Continue to respond positively to requests from local governments to take in people who have difficulty returning to their homes following a disaster</li> </ul>

## Create a livable society with local communities through various customer touchpoints

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> <li>Continuously implement effective measures against increasingly sophisticated financial crimes and provide safe and secure payment environments to all customers</li> <li>Continuously gather information regarding the latest trends regarding crime and make further advances to detection systems</li> <li>Strive to eliminate financial crimes by utilizing external knowledge by accepting police personnel for training and reinforcing collaboration with investigation agencies and business partners</li> </ul>	<ul style="list-style-type: none"> <li>Gathered and disseminated information on the latest crime trends concerning increasingly sophisticated financial crimes and made further advances to detection systems to provide safe and secure payment environments to customers</li> <li>Used outside knowledge by accepting police personnel for training and reinforced cooperation with investigative agencies and business partners to eradicate financial crime</li> </ul>	○	<ul style="list-style-type: none"> <li>Gather and disseminate information on the latest crime trends concerning increasingly sophisticated and complex financial crimes and make further advances in financial crime countermeasures to provide safe and secure payment environments to customers</li> <li>Immediately provide images from security cameras installed at ATMs and other locations to investigative agencies in order to contribute to the minimization of crime</li> <li>Use outside knowledge by accepting police personnel for training and reinforce cooperation with investigative agencies and business partners to eradicate financial crime</li> </ul>
Maintain more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> <li>Promote financial services to meet diverse needs</li> </ul>	<ul style="list-style-type: none"> <li>Began handling new services for foreign residents</li> <li>Expanded tie-ups with regional electronic currencies</li> </ul>	○	<ul style="list-style-type: none"> <li>Promote financial services to meet diverse needs</li> </ul>

## Provide safe, reliable, and healthier merchandise and services

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>In conjunction with the expansion and enhancement of services, review the scope of BCP business and further reinforce systems</li> <li>Number of training sessions planned: 22</li> </ul>	<ul style="list-style-type: none"> <li>Conducted interviews of individual departments and BIA analysis of 41 candidate essential business operations with consultants to review BCP</li> <li>Number of BCP training sessions: 18 (3 sessions cancelled due to the COVID-19 pandemic)</li> </ul>	△	<ul style="list-style-type: none"> <li>Review BCP through BIA and establish policies: essential business operations, backup systems (infrastructure, personnel development, etc.), business continuity policies</li> <li>Number of BCP training sessions planned: 19</li> </ul>

## Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Measuring appropriately the environmental impact				
	<ul style="list-style-type: none"> <li>Continue measuring and disclose greenhouse gas emission volumes through the supply chain that the company discharges</li> </ul>	<ul style="list-style-type: none"> <li>Scope 1 &amp; 2 CO<sub>2</sub> emissions 1,001 t-CO<sub>2</sub></li> </ul>	○	<ul style="list-style-type: none"> <li>Continuously ascertain results and enhance disclosures in accordance with the TCFD declaration</li> </ul>
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>Promote paperless operations</li> </ul>	<ul style="list-style-type: none"> <li>Promoted paperless operations by reviewing administrative procedures Number of pages used by multifunction printers: down 33.3% from the previous fiscal year Volume of paper ordered for office equipment: down 2.5% from the previous fiscal year</li> </ul>	○	<ul style="list-style-type: none"> <li>Switch office lighting to LEDs</li> <li>Promote paperless operations</li> </ul>
Reducing waste and developing a circular economy				
	<ul style="list-style-type: none"> <li>Recycle 100% of discarded ATMs</li> <li>When replacing office furniture, take comprehensive measures to reduce the volume of waste (purchase used items, recover, and recycle)</li> </ul>	<ul style="list-style-type: none"> <li>Achieved 100% recycling through reuse of ATMs parts and recycling of materials including steel, stainless steel, and plastic</li> <li>Used office furniture as specified by the General Affairs Department</li> </ul>	○	<ul style="list-style-type: none"> <li>Recycle 100% of discarded ATMs</li> <li>Promote the 3Rs (reduce, reuse, recycle), including in offices</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>Hold study groups and the like to address social and environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>Held small-group workshops (nine issues) seminars (six issues) on social and environmental issues. A total of 180 employees participated</li> </ul>	○	<ul style="list-style-type: none"> <li>Hold seminars to increase awareness of social and environmental issues and encouraged measures to work-site solve problems</li> </ul>
Offering eco-friendly products				
	<ul style="list-style-type: none"> <li>Promote replacement installations of energy-saving 4th-generation ATMs</li> </ul>	<ul style="list-style-type: none"> <li>Installed approximately 10,000 4th-generation ATMs, which save energy by approx. 40% (as of the end of March 2022)</li> </ul>	○	<ul style="list-style-type: none"> <li>Promote replacement installations of energy-saving 4th-generation ATMs</li> </ul>

### Environmental Data

	Unit	FY2019	FY2020	FY2021
CO <sub>2</sub> emissions <sup>*1*</sup>	t-CO <sub>2</sub>	1,372	1,370	1,001
Volume of paper ordered for office automation equipment	1,000 sheets	3,298	2,410	2,351

\*1 The period of the calculations was from April to March.

\*2 The data represents CO<sub>2</sub> emissions stemming from the use of energy for operation of offices, directly-operated ATM corners, and data centers (including manned branches until FY 2020).

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

## Achieve a society in which diverse people can actively participate

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Supporting childcare and elderlies				
	<ul style="list-style-type: none"> <li>Continue to support raising next-generation children primarily through cooperation with the "Bonolon, Warrior of the Forest" picture book for reading aloud</li> </ul>	<ul style="list-style-type: none"> <li>Approximately 5 million copies of the "Bonolon, Warrior of the Forest" picture book for reading aloud were distributed for free</li> <li>Seven Bank donated picture books to children's centers in proportion to the number of Bonolon cash cards issued</li> <li>Supported storytelling activities by members of the public by lending Bonolon large picture books to the private sector free of charge</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue to support raising next-generation children primarily through cooperation with the "Bonolon, Warrior of the Forest" picture book for reading aloud</li> </ul>

## Achieve a society in which diverse people can actively participate

### FY2021 Targets/Results and FY2022 Targets

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Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>Promote diversity and its inclusion</li> <li>Create environment and awareness that allow all employees to perform to their full potential, regardless of nationality or gender</li> <li>Enhance the content of lifelong planning seminars</li> <li>Use ICT tools to activate inner communication</li> <li>Conduct initiatives to improve the engagement [As concrete measures] <ul style="list-style-type: none"> <li>Expand the subjects of the engagement survey and regularly conduct every three months</li> <li>Improve work environments</li> </ul> </li> <li>Expand staggered working hours for moving forward or back work start and end times</li> </ul>	<ul style="list-style-type: none"> <li>Promoted diversity and its inclusion</li> <li>Recruited diverse and appealing human resources</li> <li>Created environments and awareness that allow all employees to perform to their full potential, regardless of nationality or gender <ul style="list-style-type: none"> <li>Provided sites for employees to perform to their full potential regardless of nationality or gender, supported employee promotion</li> </ul> </li> <li>Used ICT tools <ul style="list-style-type: none"> <li>Actively used Teams and Zoom</li> </ul> </li> <li>Conducted initiatives to improve the engagement <ul style="list-style-type: none"> <li>Regularly conducted HD Group engagement surveys and internal (wevox) surveys (once every three months); also implemented EQ and 360 Feedback</li> </ul> </li> <li>Actively used staggered working hours throughout the company</li> </ul>	○	<ul style="list-style-type: none"> <li>Promote diversity and its inclusion</li> <li>Create environment and awareness that allow all employees to perform to their full potential, regardless of nationality or gender</li> <li>Use ICT tools to activate inner communication</li> <li>Conduct initiatives to improve the engagement <ul style="list-style-type: none"> <li>Conduct periodic surveys</li> <li>Implement measures to improve workplace environments</li> </ul> </li> </ul>
Development of human resources				
	<ul style="list-style-type: none"> <li>Create opportunities for continuous growth <ul style="list-style-type: none"> <li>Establishment of workplaces in which employees can take the initiative and learn from experience</li> <li>Provision of an environment in which employees can choose educational content to suit their preferences and growth</li> <li>Revision of educational content putting the focus on digital transformation and the reacquisition of skills</li> <li>Establishment of platform to foster employees and promotion of the intensive management and visualization of work experience and training history</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Created opportunities for continuous growth <ul style="list-style-type: none"> <li>Introduced the MANABIYA! fostering platform</li> <li>Seconded employees to subsidiaries and affiliates (places where employees can take on new challenges)</li> <li>Introduced a DX program</li> </ul> </li> </ul>	○	<ul style="list-style-type: none"> <li>Human resources who can support secondary growth <ul style="list-style-type: none"> <li>Provide training opportunities to enhance interpersonal skills with human appeal</li> <li>Reinforce training that leads to higher quality relationships among workers in different job types</li> <li>Conduct training to enhance communications skills</li> <li>Develop skill building opportunities that enable employees to perform multiple jobs</li> </ul> </li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>Proactively utilize the system to support in good balance between work and childcare/ nursing care</li> <li>Revise the work from home system so that it can be used by all employees</li> </ul>	<ul style="list-style-type: none"> <li>Continued operating the support system for balancing work and family responsibilities, including reduced working hours and leave for reasons such as childcare and nursing care</li> <li>Actively used the work from home system in all divisions</li> </ul>	○	<ul style="list-style-type: none"> <li>Proactively utilize the system to support a good balance between work and childcare/ nursing care</li> <li>Actively use the work from home system and staggered working hours</li> </ul>
Assuring occupational safety and health				
	<ul style="list-style-type: none"> <li>Improve rate of paid leave taken (encourage employees to take five consecutive days of leave)</li> <li>Appropriately manage working hours and implement measures to reduce long working hours by recording work on a computer startup and shutdown times</li> <li>Conduct stress check ups</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of paid leave taken: 80.2% (as of March 31, 2022)</li> <li>Used PC use time records to manage working hours</li> <li>Reported to the Management Meeting on long working hours and other results</li> <li>Conducted stress check ups</li> </ul>	○	<ul style="list-style-type: none"> <li>Improve rate of paid leave taken (encourage employees to take five consecutive days of leave)</li> <li>Enhance employee support provided by public health nurses</li> <li>Conduct stress check ups</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2022)		(persons)
Full-time employees*1		446
	Male	302
	Female	144
Contractual/part-time employees*2		64
	Male	8
	Female	56
Number of employees (full-time employees + contractual/part-time employees)*3		510
	Male	310
	Female	200
New graduate employees hired		12
	Male	8
	Female	4
Mid-career employees hired		35
	Male	21
	Female	14

	FY2019	FY2020	FY2021
Average length of service (full-time employees)*4	8 years 0 month	8 years 2 months	8 years 2 months
Number of full-time employees who took childcare leave (males, contractual/ part-time employees)*5	11 (1, 4)	19 (5, 4)	15 (2, 5)
Number of full-time employees who took nursing care leave (males, contractual/ part-time employees)*5	0 (0, 0)	0 (0, 0)	0 (0, 0)
Number of volunteer leave recipients	13	0	0
Number of female managers (percentage)*6	60 (24.0%)	65 (25.2%)	78 (27.2%)
Team leader	38 (37.3%)	41 (38.7%)	53 (43.4%)
Section manager	22 (16.3%)	24 (18.2%)	24 (16.8%)
Division manager	0 (0.0%)	0 (0.0%)	1 (7.1%)
Corporate officer*7	3 (13.0%)	3 (13.0%)	3 (13.6%)
Percentage of employees with disabilities*8	2.20%	2.06%	2.67%
Percentage of paid leave taken by full-time employees	78.2%	69.9%	81.1%
Frequency rate of workplace accidents	0.00	0.00	0.00
Severity rate of workplace accidents	0.00	0.00	0.00
Number of employee consultations	11	4	6

\*1 The figure includes 32 persons reemployed after mandatory retirement.

\*2 Monthly average, with 8 hours/day counted as one employee.

\*3 The number of employees excludes corporate officers, executive officers, employees dispatched from the company to outside the company, and temporary staff; and includes people dispatched from outside the company to the company.

\*4 The company was established in 2001.

\*5 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

\*6 The percentage of team leaders or higher positions, excluding corporate officers.

\*7 The percentage of female corporate officers is as of May 31 of the following fiscal year.

\*8 The percentage for the fiscal year is as of June 1 of the following fiscal year.

## Create an ethical society through dialogue and collaboration with customers

### FY2021 Targets/Results and FY2022 Targets

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

Challenges	FY2021 Targets and Plans	FY2021 Results and Outcomes	Evaluation	FY2022 Targets
Responding sincerely to customers' opinions	<ul style="list-style-type: none"> <li>Continue initiatives to improve customer satisfaction</li> <li>Continue to perform analysis and consider improvements to make ATMs comfortable to use</li> <li>Ensure stable operation of the new center and establish a support channel system that responds to customer needs</li> </ul>	<ul style="list-style-type: none"> <li>Used websites, apps, FAQs, social media, and other means to provide prompt notice in order to provide mechanisms for customers to solve their problems</li> <li>Despite effects on center personnel from COVID-19, maintained stable operations and developed support channel systems</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue initiatives to improve customer satisfaction</li> <li>Rebuild individual guidance for each channel such as chat and email into guidance based on what customers want to know</li> </ul>

## Data from Customer Support

In order to take the opinions and requests it receives from customers sincerely, the Seven Bank contact center is able to respond to inquiries in 10 languages, and we strive to improve, expand, and develop services even further. We are also developing channels other the phone such as chat, email, and social media and are taking measures so that we can respond to even more customers.

### Breakdown of inquiries by category for FY2021 Inquiries received: 1,032,579 (down 15.6% from the previous fiscal year\*)

