



Seven & i Holdings "IR Day 2024 Autumn"

ESG Strategy (Sustainability)

October 24, 2024

Agenda

1 The Seven & i Group's structure to promote Sustainability

2 Environmental Strategy

- Progress of GREEN CHALLENGE 2050
- Specific initiatives under four themes
- TNFD disclosures

3 Social Strategy and Communication Strategy

- Initiatives to respect for human rights
- Progress, challenges, and future direction of social contribution activities
- Globalizing communication strategy

4 Challenges and responses for Sustainability

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From "CSR" to "Sustainability," Responding to Changes in Society

CSR Management Department
(Defensive CSR ⇒ Offensive CSR)

Sustainability Development Department
(CSR ⇒ Sustainability)

Structure

2011

- Establishment of CSR Management Dept
- First meeting of the CSR Management Committee

2020

- CO2 index introduced into executive compensation system

2019

- Establishment of Sustainability Development Dept

2024

- Business Partner Helpline: Establishment of overseas reporting hotline

2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

Efforts

2014

- Identified five Material Issues

2020

- TCFD Disclosure

2022

- Revised Material Issues (From five Issues to Seven Issues)

2019

- GREEN CHALLENGE 2050 (Environmental Long-term Target) is established

2021

- Human Rights Policy is established

2024

- TNFD Disclosure

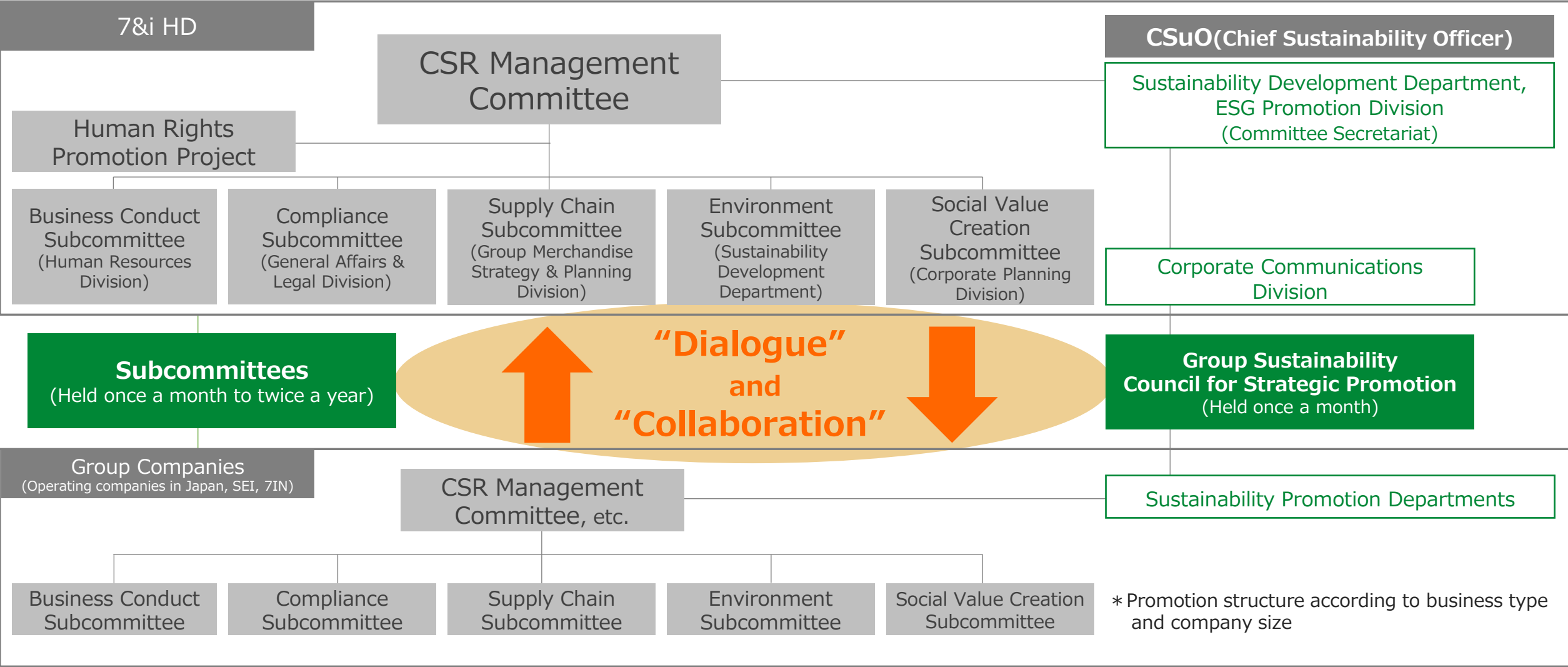
Structure to Promote Sustainability: 7&i Group's Material Issues (Materiality)

Material Issues	Related Initiatives
<p>1. Create a livable society with local communities through various customer touchpoints</p> <div>   </div>	<p>1. Community-based management 7NOW (online convenience store), delivery service, Administrative services</p>
<p>2. Provide safe, reliable, and healthier merchandise and services</p> <div>   </div>	<p>2. Realization of a safe and prosperous society Development of healthy products, Strengthen quality control system</p>
<p>3. Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts</p> <div>        </div>	<p>3. Environmental management Development of environmentally friendly stores Plastic bottle recycling Reduction of food waste, recycling of food waste Expansion of certified products</p>
<p>4. Achieve a society in which diverse people can actively participate</p> <div>   </div>	<p>4. Appreciating a variety of values and lifestyles Support for childcare, education of the future generation Normalization</p>
<p>5. Improve work engagement and environment for people working in Group businesses</p> <div>    </div>	<p>5. Providing work fulfillment and accomplishment HR development Employment of people with disabilities and foreign people</p>
<p>6. Create an ethical society through dialogue and collaboration with customers</p> <div>  </div>	<p>6. Enriching the community with our customers Temaedori Project (buy-from-the-front), food drives MottECO (doggy bag)</p>
<p>7. Achieve a sustainable society through partnerships</p> <div>      </div>	<p>7. Prosperous society with our business partners CSR audits of suppliers Collaboration with same and different-industries</p>

Structure to Promote Sustainability: Collaboration with Group Companies



The HD Sustainability Development Dept., with the CSR Management Committee at Its Core, Works to Promote Sustainability through Dialogue and Collaboration with Five Subcommittees and Each Company's Sustainability Department



Structure to Promote Sustainability: Sustainability Strategy Map



Target Image

Sustainable Society



Sustainable Growth of Companies

Goal Image

*Universalizing Sustainable Living

- *Implementation and autonomy of Sustainability activities at each companies and stores
- *Sustainability of all products and services

Material Issues

(Vision of Society)

Decarbonized, Circular Economy, in Harmony with Nature, Society

Society, with Safe, Secure, and Health-conscious Products

Ethical Society

Livable Society

Society where diverse people can play active roles

Society where people are satisfied with their work and find it easy to work

Sustainability through partnerships

Solving Social Issues and Increasing Corporate Value through “Distribution Innovation” by Backcasting

More “Proactive Approach”, Promotion of “Unprecedented ESG”

Promoting E (Environment) and S (Society) to Drive Business Growth

Communication to Expand “Circle of Empathy”

Environmental Strategy

- *Reduction of CO₂ emissions
- *Measures against plastic
- *Measures against food loss and for food recycling
- *Sustainable procurement
- *TCFD, TNFD (Nature Positive)

Social Strategy

- *Human Rights due diligence
- *Grievance Mechanism
- *CSR audits
- *Disaster relief fundraising and support
- *Contributions to society

Communication Strategy

- *Get the latest information
- *Spread empathy throughout our Group
- *Communicate through stores and products etc.
- *Improve ESG corporate reputation

Group Synergy

Collaboration with Group Companies, Various Departments of 7&i

Partnerships

Collaboration with customers, business partners, etc.

Strengthening Corporate Governance / Ensuring Compliance
Strengthening of Human Resources and Human Capital / Achieving Well-Being

Corporate Creed (Trust and Sincerity)

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Environmental Strategy: Goals of GREEN CHALLENGE 2050



Reduction of CO₂ Emissions

Reduce emissions from group store operations **by 50%**

Reduce emissions across our entire supply chain (scope 3) in addition to our own emissions (scopes 1 + 2)

Reduce emissions from group store operations to **net-zero**



Measures against Plastic

50% use of environmentally friendly materials (e.g., biomass, biodegradable and recycled materials and paper, etc.)

100% use of environmentally friendly materials (e.g., biomass, biodegradable and recycled materials and paper, etc.)

Zero use of plastic-made shopping bags.

Aim to reduce overall plastic materials related to sales.



Measures against Food Loss and for Food Recycling

50% reduction in food waste generation per unit

100% reduction in food waste generation per unit

Increase food waste recycling rate to **70%**

Increase food waste recycling rate to **100%**

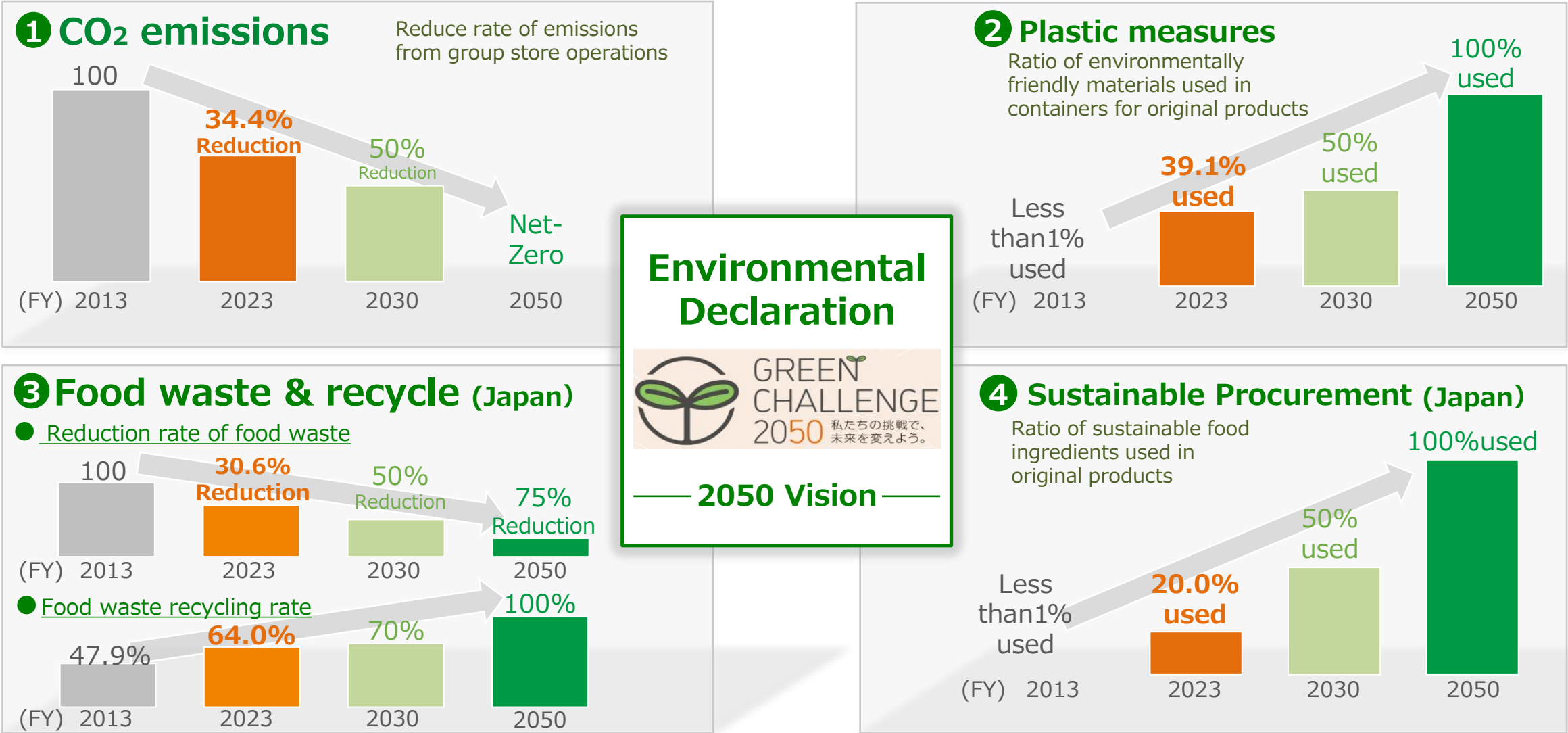


Sustainable Procurement

50% of the raw food ingredients used in our original products to be those that guarantee sustainability

100% of the raw food ingredients used in our original products to be those that guarantee sustainability

Further Strengthening Efforts Towards the 2050 Vision in the Environmental Declaration



Reduction of CO₂ Emissions

- **Energy saving and expansion of energy generation through solar panels, etc.**

- Install panels in approximately 9,000 stores (by the end of FY2023)

- **Establishment of our own new power company (Seven & i Energy Management)**

- The company will start business operations as an electricity retailer in FY2025

- **Considering the Utilization of Storage Batteries**

Measures for Plastics

- **Expanding PET bottle collectors**

- 4,187 units installed, approximately 500 million items collected annually (by the end of FY2023)

- **Reduction (to prevent the generation of Plastic) and switching to other materials**

- **Investment in and operation of a used PET bottles recycling plant**

Measures for Food Waste Reduction/ Food Recycling

- ***Eco-Friendly Price* (SEJ's food waste reduction measure)**

- Received the Consumer Affairs Agency Commissioner's Award for Commendation for Promotion of Food Waste Reduction in FY2024

- **Expansion of food waste recycling**

- Initiation of collaboration with competitors and the development of transfer and storage facilities

Sustainable Procurement

- **Expansion of third-party certification acquisition**

- Expansion of GAP certification for agricultural products and MSC certification for marine products, etc.

- **Consideration of Formulation of independent standards without solely relying on third-party certification**

- **Disclosed TNFD in early September 2024**

Disclose Initiatives on Natural Capital/Biodiversity and Policies on Natural Capital

TCFD

(Taskforce on **Climate**-related Financial Disclosures)

Disclosed
in June
2020

Analysis and disclosure of climate change impacts and risks and opportunities

In 2019, we endorsed the TCFD recommendations and began disclosures from the Japanese CVS business in FY2021



TNFD

(Taskforce on **Nature**-related Financial Disclosures)

Disclosed
in Sep.
2024

Analysis and disclosure of nature-related dependencies and impacts and risks and opportunities

As part of efforts to promote Nature Positive (a global goal to halt and reverse biodiversity loss by 2030)



Taskforce on Nature-related
Financial Disclosures



In conjunction with the TNFD disclosures, we disclosed the 7&i Group Nature Policy

1. We strive to understand our relationship with nature
2. We value the blessings of nature and commit to avoiding and/or minimizing negative impacts on nature
3. We contribute to the recovery, restoration, and regeneration of nature and biodiversity
4. We embrace innovation and co-create value with all stakeholders to contribute to nature
5. We commit to ensuring highly transparent, trustworthy, and sincere disclosure and reporting

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Promote Human Rights Initiatives Across Our Company and Supply Chain

		2021	2022	2023	2024
		Human Rights Policy Formulation Development of a promotion system	Human Rights risk analysis	Disclosure of information to external parties	Expansion to operating companies
In-house		<ul style="list-style-type: none">◆Group Human Rights Policy formulation (October 7, 2021)◆Human Rights Promotion Project launched	<ul style="list-style-type: none">◆Identification of negative impacts on Human Rights Quantification of negative impacts ➔Human Rights risk mapping	<ul style="list-style-type: none">◆Updating Human Rights contents on our website◆ Groupwide Human Rights e-learning start	<ul style="list-style-type: none">◆Promoting Human Rights due diligence in operating companies◆Preparation of Human Rights guidance
Supply chain		<ul style="list-style-type: none">◆Start of online briefings and seminars for business partners	<ul style="list-style-type: none">◆Identification of negative impacts on Human Rights Quantification of risks of in the supply chain of operating companies ➔ Human Rights risk mapping	<ul style="list-style-type: none">◆Internal and external awareness raising activities Disseminating information to procurement staff of operating companies and provide education through case studies at briefings for suppliers	<ul style="list-style-type: none">◆Revision of the Business Partner Sustainable Action Guidelines (planned) Addition of global Human Rights risks identified through the Human Rights DD process
		<ul style="list-style-type: none">◆CSR audits conducted (2012~) Monitoring through on-site audits of factories that manufacture the group's original products			
Trend in Factories with Suspected Major Non-Compliance in Overseas CSR Audits					
		82 factories	44 factories	18 factories	—

Promote Initiatives to Mitigate and Correct Internal and External Human Rights Issues



Established the **“Groupwide Employee Helpline,” “Business Partner Helpline,”** and **“Audit & Supervisory Board Member Hotline”**

- We have established helplines to which a report can be made anonymously in order to prevent any human rights issues and to ensure early detection, early remediation, and recurrence prevention.
- We promptly fix and correct any human rights issues identified, and strive to prevent recurrence.



Started **receiving reports on human rights violations in overseas supply chains**

- We have also established a contact point with which a person can consult from local sites as for human rights violations in overseas factory.
- Currently available in 4 languages (English/Thai/Portuguese/Japanese)



Participated in a **platform aimed at improvement of working conditions and living environment at the time of acceptance of foreign workers**

- We have participated in the “Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP-MIRAI)” that various stakeholders have supported and participated in.
- We provide consultation and remedy services for foreign workers in Japan through assistance of the JP-MIRAI.

Volunteer Activities



7 Care's Day (SEI)

Support for Development of the Next Generation



Workplace experience tour (IY.SEJ.7FS)

Ethical Consumption



Food drives (each group company)

Environmental Preservation Activities



Seven Forest (SEJ + SEVEN-ELEVEN FOUNDATION)

We Have Developed Initiatives Toward the Achievement of SDGs From a Global Viewpoint

Fund-Raising Activities



Storefront donation boxes (each group company)

Disaster Rehabilitation Assistance



Reconstruction assistance for the Great East Japan Earthquake (each group company)

Strengthening Disclosure in Non-Financial Areas and Information Dissemination to Customers

[Disclosure of sustainability information]

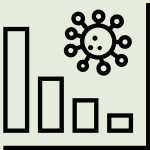


Communicate sustainability activities in Japan and overseas on a wide range of disclosure media such as securities reports, management reports, sustainability data books, and websites (Japanese/English)

[For the disclosure required in the future]



Respond to early adoption and deepening of disclosure in the non-financial area required by ISSB/SSBJ, etc., which has been proposed to be made mandatory from the fiscal year ending March 31, 2027



Build a data platform aimed to visualize environmental data in the entire supply chain

[Sharing information with employees]



Implementation of e-learning and development of an app for employees specializing in sustainability. Communicating climate change risks at company-wide meetings, etc.

[Awareness activities for customers through stores and products]
As the entity closest to our customers and consumers, we also focus on disseminating information about global environmental and social issues

Store POP, cash register commercials and events



Various media



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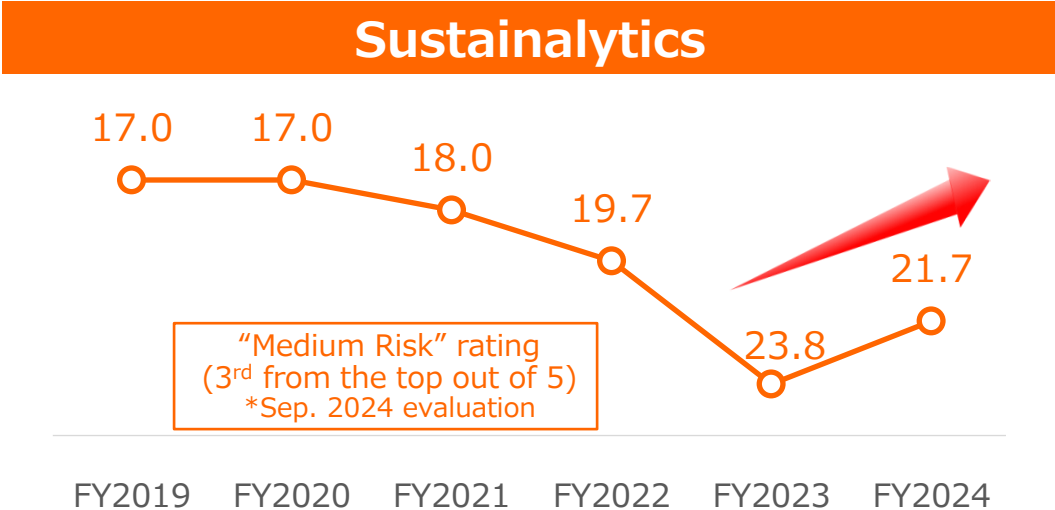
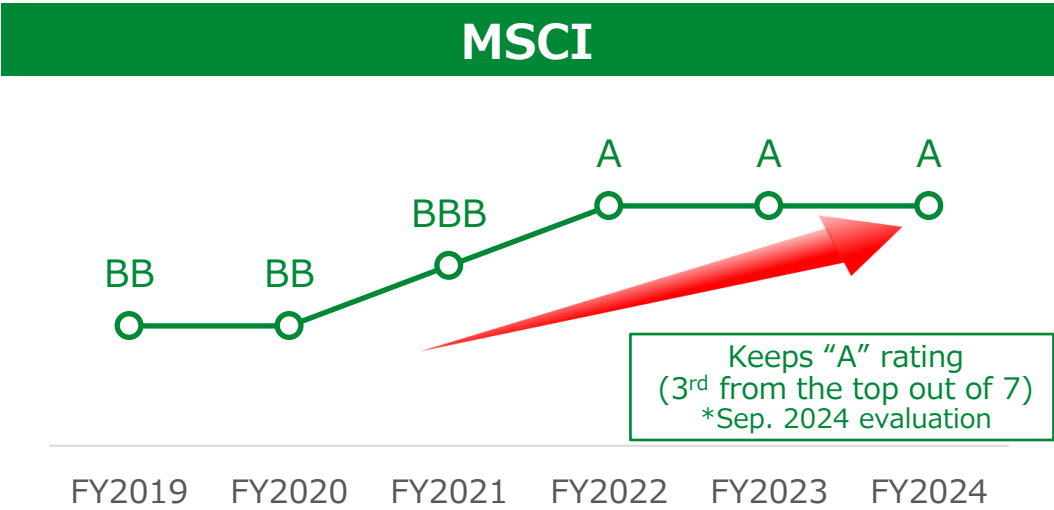
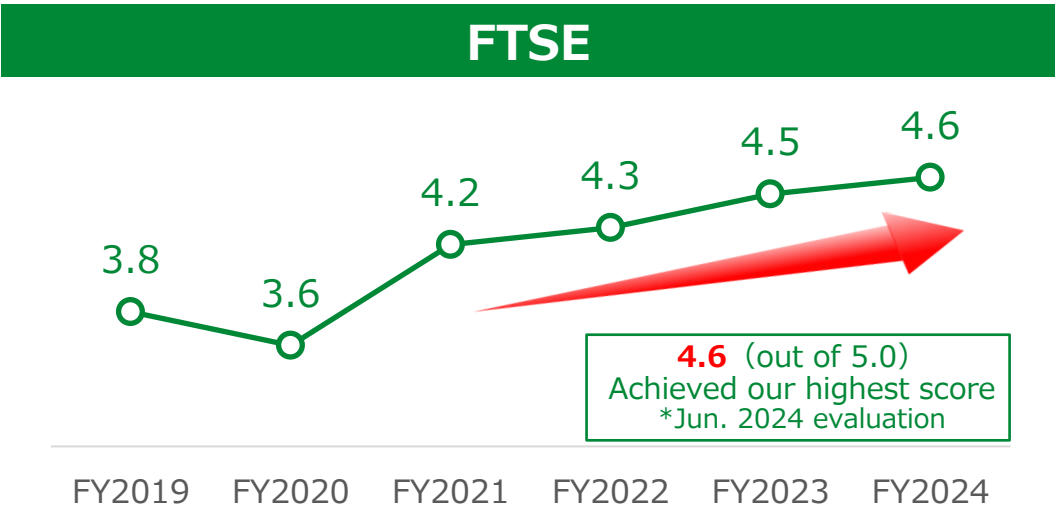
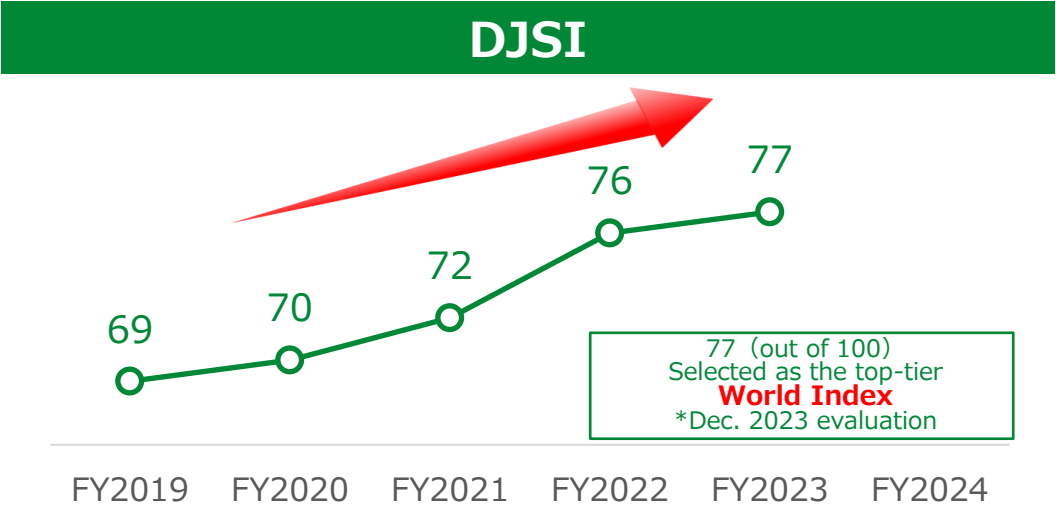
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Challenges and Responses for Sustainability:

ESG Scores Steadily Improved with the Three Strategies



Trend in ESG rating agency stores



Challenges and Responses for Sustainability: More Proactive Approach

	Main Issues	Responses
Overall/ Promotion Structure	<ul style="list-style-type: none"> •As a "Sustainability-Implementing Company" that integrates sustainability into its management and business operations, further deepening efforts to enhance corporate value •Establishment of Global sustainability promotion structure 	<ul style="list-style-type: none"> •Initiatives to simultaneously achieve sustainable corporate growth and to address social issues, including the development of new businesses aimed at solving global environmental and social challenges •Strengthen collaboration with the sustainability divisions of SEI and 7IN •Respond appropriately to global standards, laws, regulations, and disclose information in good faith
Environment	<ul style="list-style-type: none"> •Steadily promote GREEN CHALLENGE 2050 and advance the targets required globally / Comply with disclosure standards •In the environmental field, there are limits to what we can achieve on our own 	<ul style="list-style-type: none"> •Promotion of renewable energy procurement by new power companies, formulation of voluntary standards for sustainable procurement, and sustainable agriculture, etc. •Visualization of environmental data and sharing of that data within and outside the group / Enhancing disclosure based on TCFD and TNFD •Strengthening cooperation with government agencies and competitors in non-competitive areas / Appealing to and responding to regulations
Social	<ul style="list-style-type: none"> •Further strengthening of human rights due diligence and supply chain management •Globalization of social contribution activities 	<ul style="list-style-type: none"> •Establishing a system for conducting human rights due diligence consistently within the group •Fostering employees' volunteer spirit and establishing a system for global initiatives, in addition to activities in each country and region
Communication	<ul style="list-style-type: none"> •Enhancement of disclosure and improvement corporate evaluation •Educating customers, encouraging behavioral change, and implementing sustainability in society by leveraging our position as retailers 	<ul style="list-style-type: none"> •Strengthening collaboration with each department and our group companies, and responding to disclosure standards using DX, etc. •Continuous efforts and evolution of awareness-raising and event measures through stores, products, and services



The information disclosed by the Company may contain forward-looking statements. These statements are based on management's judgment in accordance with materials available to the Company at the time of disclosure, with future projections based on certain assumptions. The forward-looking statements therefore incorporate various risks, estimates, and uncertainties, and as such, actual results and performance may differ from the future outlook included in disclosed information due to various factors, such as changes in business operations and the financial situation going forward.