

**Approach to Material Issues**

Seven & i Holdings operates around 20,000 primarily retail stores throughout Japan, and deals with numerous products. We believe that reducing the energy consumption and waste material generated by the Group's business activities will make a significant contribution toward realizing a sustainable society.

At the same time, such efforts are also of great value to the Seven & i Holdings Group as they will also help to reduce waste, product and raw material costs, together with energy costs. We have therefore positioned elimination of waste in products, raw materials, and energy throughout the entire value chain one of our most material issues, and we are taking measures to address it.

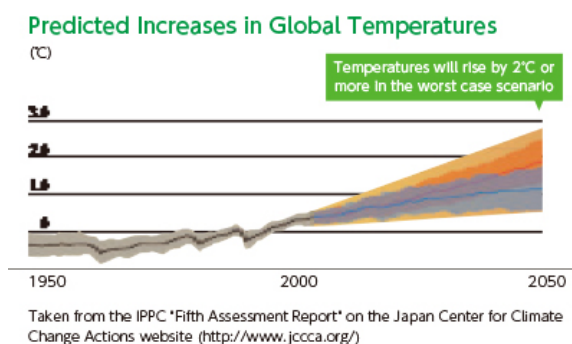
■ **Relevant Policies**

- [Environmental Guidelines / Environmental Rules](#)
- [Seven & i Holdings Environmental Declaration / Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming](#)

**Background to Material Issues**

**Climate Change**

Climate change is a global problem. Rising sea levels, erratic weather, and damage to primary industries, etc., pose serious threats to future generations. An Intergovernmental Panel on Climate Change (IPCC) report states that global warming is "beyond doubt", and if current trends continue, the worst case is that temperatures will rise by almost 2°C by 2050, with CO<sub>2</sub> emissions considered to be the major cause.



**Food Waste**

In 2014, the global amount of food aid reached approximately 3.2 million tons. The increase in the global population and abnormal weather have given rise to food shortages with one in nine people now estimated to suffer from chronic hunger. By comparison, over 17 million tons of food is wasted every year in Japan. Of this, 6.32 million tons is food loss—food that is likely to be still edible, such as half-eaten food or food that has passed its expiry date.



**System for Promoting Material Issues**

The CSR Management Committee, led by the Seven and i Holdings Director and Executive Officer and senior officer in charge of the CSR Department, and its subordinate Environment Subcommittee, in collaboration with the Group companies and the respective divisions promote initiatives to reduce CO<sub>2</sub> emissions and make effective use of limited resources through business activities.

**Contribution to SDGs**

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



## Seven & i Holdings' Initiatives

### Attaining an Appropriate Grasp of Environmental Impact

We have set CO<sub>2</sub> emissions reduction targets, along with taking appropriate actions to monitor CO<sub>2</sub> emissions, such as undergoing third-party CO<sub>2</sub> emissions audits, in order to correctly assess and verify the initiatives taken to reduce environmental impact.

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### Reducing Environmental Impact

We are working to reduce various environmental impacts pertaining to store operations, including installing energy-saving equipment.

[> More](#)

### Reducing Environmental Impact in the Supply Chain

We are promoting a range of measures together with suppliers, including energy conservation at factories and the introduction of eco-friendly vehicles.

[> More](#)

### Promoting Food Recycling and Reducing Waste

We have established "improving food recycling rates" as an important theme and are promoting related initiatives.

[> More](#)

### Reduce Packaging Material

We are reducing waste from packaging materials used for supplying products by taking steps such as promoting recycling and simplifying packaging.

[> More](#)

### Development of Eco-Friendly Products

We are developing and selling eco-conscious products made using recycled materials and materials with a low environmental impact.

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### Support and Awareness-Raising Activities Within and Outside the Company

We are working to co-exist in harmony with the global environment and local communities by encouraging every employee to be aware of our social responsibilities as a corporate citizen.

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**Attaining an Appropriate Grasp of Environmental Impact**

Seven & i Holdings has set CO<sub>2</sub> reduction targets and strives to appropriately ascertain CO<sub>2</sub> emissions, including through third-party audits, to evaluate and verify its initiatives to reduce environmental impact.

**Reduction targets for CO<sub>2</sub> emissions**

Seven & i Holdings has established "CO<sub>2</sub> emissions reduction targets" for the purpose of preventing global warming. By introducing the latest energy-saving equipment and renewable energies, and other measures, the Group has set a CO<sub>2</sub> emission reduction target that represents a 10% reduction from the projected CO<sub>2</sub> emissions in the fiscal year ending February 28, 2018 under the same level of environmental measures set for the nine Japanese operating companies\*1 in the fiscal year ended February 29, 2012, and is working to reduce energy usage.



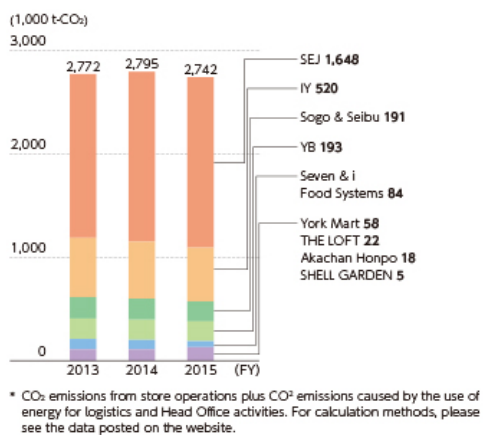
**Third-Party Audit of CO<sub>2</sub> Emissions**

To correctly assess and verify the initiatives taken to reduce environmental impact, Seven & i Holdings has undertaken third-party audits of CO<sub>2</sub> emissions from store operations at the 10 main Group operating companies\*2 since the fiscal year ended February 29, 2012. The sales of the 10 audited companies account for about 95% of the Group's total, helping to increase the accuracy and reliability of quantitative data internally and externally.

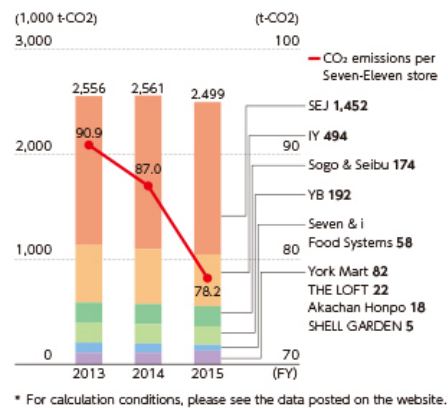
- \*1. Included companies: Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, York Mart, Seven & i Food Systems, Akachan Honpo, THE LOFT, and SHELL GARDEN
- \*2. Ten companies comprising the nine companies in \*1 with the addition of 7-Eleven Inc.



**CO<sub>2</sub> Emissions\***



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





Third-Party Report

Third-Party Report

Scope 3 Calculation\*1

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, we have calculated the CO<sub>2</sub> emissions ("Scope 3") throughout the entire supply chains following the "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain Ver. 2.1." of the Ministry of the Environment. For the fiscal year ended February 29, 2016 we calculated emissions for 10 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. Based on this calculation result, we will aim 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. Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, York Mart, Seven & i Food Systems, Seven Bank, Akachan Honpo, THE LOFT, and SHELL GARDEN



Breakdown of Greenhouse Gas Emissions throughout the Supply Chain in the Fiscal Year Ended February 29, 2016 (Totals for 10 companies)

Category	Composition ratio
Scope 1	0.4%
Scope 2	10.8%
Scope 3 Categories 1-15 (total)	88.8% 100.0%
Category 1 (Purchased goods and services)	85.8%
Category 2 (Capital goods)	3.3%
Category 3 (Fuel-and-energy-related activities not included in Scope 1 or 2)	0.9%
Category 4 (Upstream transportation and distribution)	1.3%
Category 5 (Waste generated in operations)	0.4%
Category 6 (Business travel)	0.1%
Category 7 (Employee commuting)	0.2%
Category 8 (Upstream leased assets)	0.01%
Category 9 (Downstream transportation and distribution)	0.2%
Category 10 (Processing of sold products)	0.0%
Category 11 (Use of sold products)	0.4%
Category 12 (End of life treatment of sold products)	6.2%
Category 13 (Downstream leased assets)	1.2%
Category 14 (Franchises)	0.0%
Category 15 (Investments)	0.0%
<b>Total of Scope 1, 2 and 3</b>	<b>100.0%</b>

\* Scope 3 emissions are calculated from the 12 categories of categories 1-9 and 11-13.  
 \* SEJ franchise stores are included in Scopes 1 and 2.

## Climate Change Risks, and Measures for Adaptation and Mitigation

Rapid changes in temperature and the occurrence of disasters due to climate change have an impact on the suppliers of products for Seven & i Holdings' Group companies, and also on raw material procurement prices. Furthermore, the destruction of store facilities due to disasters may limit operating hours or halt operations, resulting in the loss of opportunities to sell products. In this way, climate change can impact every aspect of business from product development and manufacture through to distribution, store management, the products carried by stores and product lineups. Seven & i Holdings therefore recognizes that the construction and application of a business model to enable rapid adaptation to climate and temperature change will be a factor in sustaining growth.

Customers' purchasing activities are strongly affected by the weather and climate. To provide product lineups appropriate to the weather and climate, the person ordering the products must check weather and temperature information in the weather forecasts daily as a form of hypothetical information in order to determine the type and quantity of products to be ordered.

The "Seven Farm" environmental recycling-oriented agriculture initiative of IY buys the entire quantity of harvested produce, including non-standard items. This enables us to procure and sell vegetables stable regardless of market trends. In this way, we are also addressing the aspect of stable product procurement. These Seven Farms are located in 11 places throughout Japan, covering approximately 70 ha in total. (As of February 29, 2016).

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 regular 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 within 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.



▶ [For more details of Seven Farms](#)

**Reducing Environmental Impact**

About 90% of the Seven & i Group's CO<sub>2</sub> emissions are attributable to the use of energy for equipment. We are therefore promoting the introduction of energy-saving equipment. We are also taking steps to relieve various environmental impacts associated with store operations.

**Establishing an Environmental Management System**

Seven & i Holdings aims to reduce the environmental impact in every process of its operations from raw material procurement to manufacturing, distribution, sales, and disposal, by implementing an environmental management system. To this end, we are promoting acquisition of the international standard ISO 14001 and we conduct annual internal audits. At Sogo & Seibu, we became the first in the department store sector to acquire ISO 14001 certification in 1999, and this has been maintained continuously at all business sites. Furthermore, SEJ acquired the certification at the end of February 2014 for its head office and its offices and directly managed stores within the Greater Tokyo Area. In February 2015, Seven & i Food Systems acquired the certification along with IY Foods. The Group continues its efforts to reduce environmental impact by using the management system.



**Promoting Introduction of Energy-Saving Equipment at Stores**

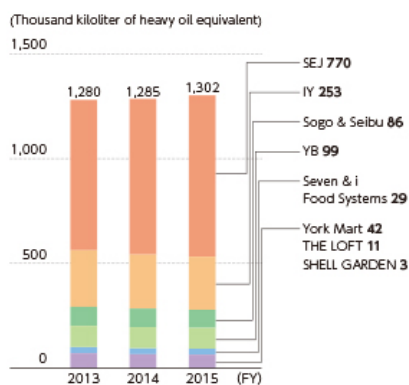
About 90% of CO<sub>2</sub> emitted by Seven & i Holdings Group companies is attributable to the use of energy for in-store lighting, store signboards, and air conditioning, which are all indispensable for the operation of its stores. Therefore, we aim not only to control our environmental impact increase proportionately to the increase in store numbers and size, and the enhancement of products and services, but to reduce electricity service charges by installing energy reducing equipment such as LED illumination and solar panels when we open new stores or refurbish existing ones.

For example, at 7-Eleven stores, we are promoting environmentally friendly store creation 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 with installing solar panels, which are now installed at 7,571 stores (as of February 29, 2016).

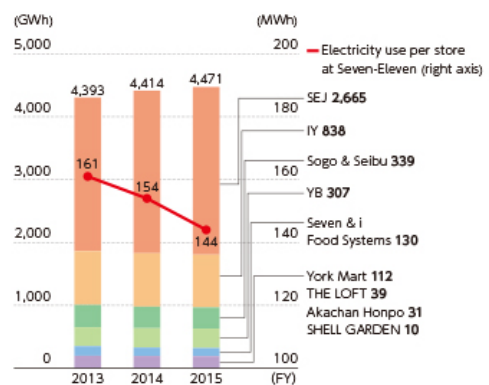
At IY as well, to reduce the load on the environment from store operations, LED lighting has been installed at almost all stores, and solar panels have been installed at 14 stores (as of February 29, 2016).



**Total Energy Usage**



**Electricity consumption in store operations**



LED lights



Solar panels

## Management of CFCs

At Seven & i Holdings 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 advanced 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 SEJ, refrigeration devices that utilize CO<sub>2</sub> refrigerants have been introduced at 120 stores (as of April 30, 2016), and we are trialing them at 3 IY stores.

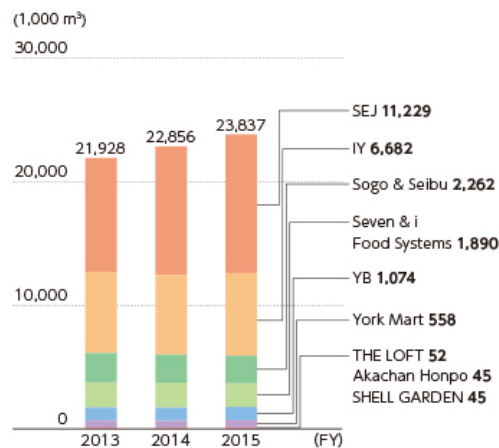


## Measures to Conserve Water

At Seven & i Holdings stores, 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, etc., we are working to reduce the volumes of water used.



### Water Usage Resulting from Store Operations



## Stores with Hydrogen Stations

SEJ has signed a comprehensive agreement with Iwatani Corporation regarding the installation of hydrogen stations together with convenience stores. The companies opened two stores with hydrogen stations in Ikegami, Ota-ku, Tokyo Metropolis and Kariya City, Aichi Prefecture in February 2016.

Looking ahead, we will install pure hydrogen fuel cells at the stores with hydrogen stations and conduct a trial test on the environmental impact reduction to verify the potential for the use of fuel cells in retail stores. Moreover, the project also aims to promote the creation of "close-by, convenient stores" that are closely tied to local communities, while creating sites that can serve as social infrastructure able to provide products, services, and clean energy at a single point.

SEJ will continue actively striving to make total energy savings while creating environmentally friendly stores through "energy saving, energy creation, and energy storage."





SEJ's store with hydrogen station at Ota-ku Ikegami 8-chome

## Installation of Electric Vehicle Chargers

Seven & i Holdings and NEC Corporation have installed 2,700 chargers for electric vehicles (EV) and plug-in hybrid vehicles (PHV) in parking lots at 45 stores in Japan, including IY, Ario, and Sogo and Seibu department stores to provide a fee-based charging service as of August 31, 2016.

This project is the largest scale introduction of EV and PHV chargers ever attempted in Japan. 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, as well as to contribute to the realization of a low-carbon society by promoting the spread of environmentally friendly, next-generation cars.

The charging service is a commercial service and will accept payment with a charging card issued by Nippon Charge Service LLC, a joint venture established by four Japanese automakers, as well as credit cards.



Electric vehicle charger



**Reducing Environmental Impact in the Supply Chain**

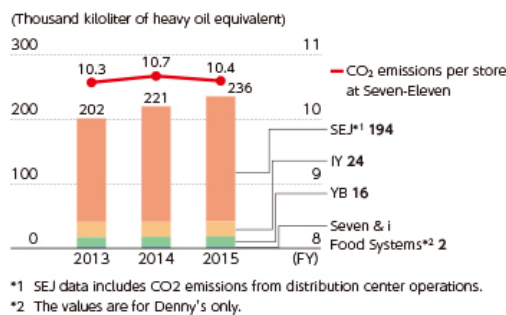
Seven & i Holdings is promoting various initiatives such as working together with original product manufacturing plants and delivery service providers and others to save energy at factories and introduce eco-friendly vehicles.

**Reducing CO<sub>2</sub> Emissions from Deliveries**

In addition to promoting the introduction of ecofriendly vehicles, Seven & i Holdings is working to improve fuel efficiency and reduce store delivery frequencies. Furthermore, progress is also being made in the introduction of drive-data terminals in trucks, which record driving conditions. Based on the collected data, drivers are instructed and eco-driving seminars carried out.



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

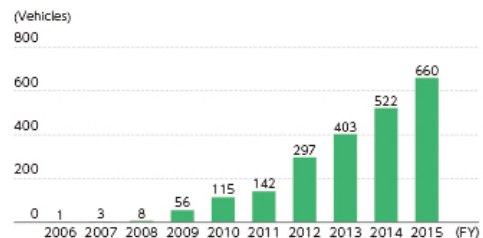


**Introduction of Eco-Friendly Vehicles**

We are replacing delivery vehicles with hybrid trucks at SEJ. These are capable of recuperating energy generated during deceleration and then using it as secondary power to drive motors when pulling away and accelerating. Through this technology, we hope to realize fuel-efficiency improvements and reduced CO<sub>2</sub> emissions, etc. There are 5,329 delivery vehicles in the fleet, as of May 31, 2016, and hybrid trucks account for 660 of these. We plan to replace 20% of the total fleet with eco-friendly trucks by 2020.



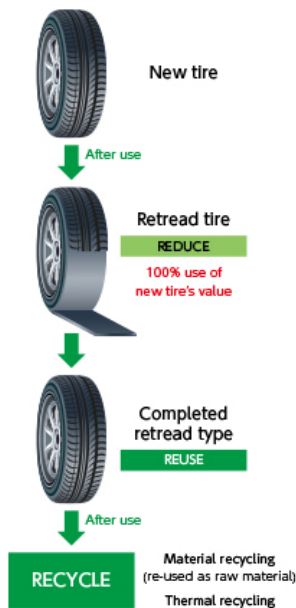
**Number of Hybrid Vehicles Introduced**



**Promoting Introduction of Eco-Friendly Tires**

SEJ is promoting the introduction of eco-friendly tires that reduce the rolling resistance of the tires of delivery vehicles. As of May 31, 2016, we have installed eco-friendly tires on 5,289 delivery vehicles, representing approximately 99% of the total fleet. Moreover, SEJ has also introduced retread tires to 8,000 vehicles\*1, as of May 31, 2016. These tires are made from tires that have finished their service life by removing a certain amount of the tire surface that contacts the road and applying new rubber and tread. In this way, they can be re-used as rear tires for delivery vehicles. SEJ will promote the use of retread tires to contribute to resource conservation and waste reduction by reusing them.

\*1. Tires may be removed and refitted several times for each vehicle, so the number is the total number of vehicles.



### Introduction of Energy-Saving Equipment at Distribution Centers

SEJ is promoting efforts to reduce wasted 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. As of May 31, 2016, the controllers have been introduced at 69 of SEJ's 149 distribution centers.



### Promoting Environmental Information Management at Manufacturing Plants

SEJ 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 associated with plant operations. We work to ascertain environmental information shared by our contract manufacturers and hold study seminars in conjunction with the Environment Countermeasures Committee of the Nihon Delica Foods Association, where we share environmental measures such as energy-saving with each manufacturer in an effort to reduce energy use at their plants.



Promoting Food Recycling and Reducing Waste

At Seven & i Holdings, food products account for a significant portion of net sales at around 60%. Improving food recycling rates has therefore been an important theme for us. We are also addressing waste emissions associated with store operations by promoting measures to curb waste generation as well as reuse and recycle waste.

Recycling-Oriented Farms (Seven Farms)

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 "recycling-oriented agriculture."  
 "Recycling-oriented agriculture" is a system for composting food residues (garbage) generated by IY stores and using them 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. In July 2015, the 11th agricultural production corporation in Japan, "Seven Farm Niigata," was established.



Seven Farms Outline



Seven Farm

Converting Food Waste into Feed and Fertilizer

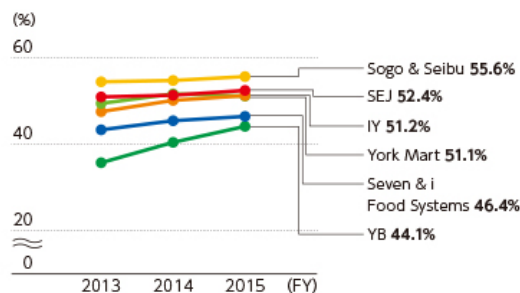
SEJ has been promoting "Eco Distribution\*" since 1994 as a system for appropriate processing and recycling of waste. Under this system, we work to recycle food products that have passed their sell-by dates into feed and fertilizer. The system is operating in 24 prefectures in Japan. In the fiscal year ended February 29, 2016, the combined recycle rate for products that had passed their sell-by dates and discarded food oil was 52.4%. We will continue to promote recycling with the understanding and cooperation of franchise stores and suppliers.

\* Eco Distribution: SEJ's original waste recycling system.

A recommended waste disposal provider for franchisees in each region collects all of the waste from 7-Eleven stores for appropriate processing and recycling.



Major Company Food-Waste Recycling Rates (FY2016)



Installing Systems to Treat Garbage

At IY, a "biodegradable garbage processor" system that breaks down garbage using microorganisms was introduced in October of 2011 and has been installed in 18 stores. 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. A miniature version of the biodegradable garbage processor that uses the action of microorganisms has also been in test operation at SEJ since 2013.



Garbage processor

### Reducing Waste Products

IY is working to curtail the generation of waste and to promote reuse and recycling, with a view to reducing waste emissions. For example, in product deliveries, we recommend the use of reusable containers and the use of hangers for delivery of apparel. At stores, we promote understanding of recycling, and store employees are encouraged to rigorously sort waste for recycling purposes.



Reusable containers for store deliveries

### Reuse of Fixtures and Building Materials from Closed Stores

At SEJ, when stores are to be rebuilt or closed rather than disposing of the product shelving, fixtures, chiller cases, and lights, they are reused at other stores. Furthermore, reusable steel frames and recyclable sashes are used in construction of stores to reduce the amount of waste emitted during store demolition. In the fiscal year ended February 29, 2016, there were 34,549 items of store equipment recovered and re-used.





Reduce Packaging Material

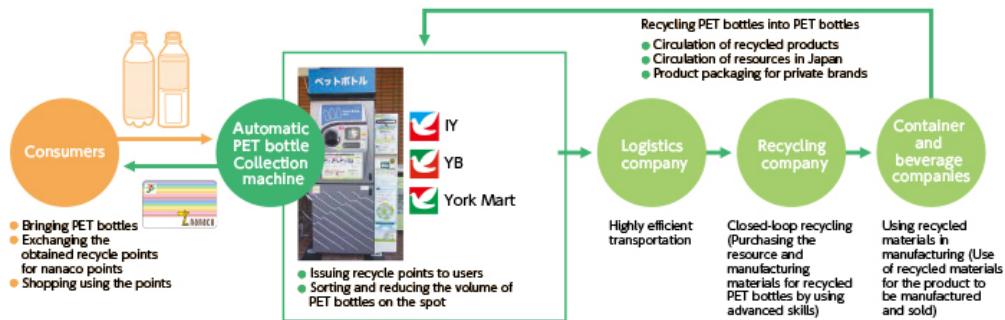
Seven & i Holdings is reducing waste from packaging materials used for supplying products by recycling and simplifying packaging.

Installing Automatic PET Bottle Collection Machines

IY, YB, and York Mart have had automatic PET bottle collection machines installed at stores since 2012. Because 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 Holdings logistics routes, more efficient transportation is possible and the volume of CO<sub>2</sub> emissions resulting from the operations can be reduced. Some of 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. As of the end of February 2016, collection machines have been installed in 314 stores across the three companies, and approximately 4,000 tons of PET bottles have been collected. We are promoting an initiative to recycle material from PET bottles recovered at stores and use it in packaging for Seven Premium private brand products. Moreover, we have printed a note explaining the process from recovery to recycling on the product packaging. In December 2015, a 7-Eleven store in Koto-ku, Tokyo, became the first convenience store to install an automatic PET bottle collection machine as part of a trial demonstration by the Ministry of the Environment.



PET Bottle Recycling System Using an Automatic Collection Machine

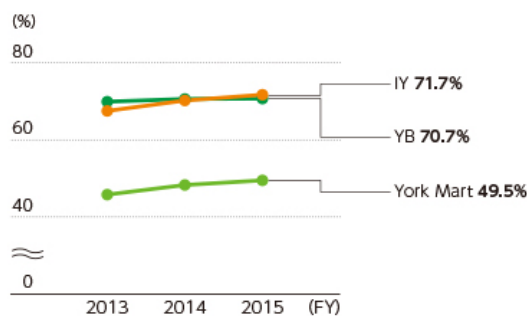


Reducing the Use of Disposable Plastic Bags

Seven & i Holdings promotes the reduced use of disposable plastic bags by asking customers whether they need a bag at the register and displaying posters and POP signs, and by holding events to encourage customers to bring their own shopping bags when shopping at stores. Moreover, IY has discontinued the free distribution of plastic bags on the food floors of all its stores and YB has followed suit at around 90% of its stores.



Plastic Bag Turndown Rate (Food Floors)



Innovating Sales Methods to Reduce Containers and Packaging

At IY, YB, and York Mart, we have devised sales methods for fresh food and delicatessen items that reduce the use of containers and packaging, such as selling by weight or selling individual loose items. At our delicatessen sales areas, we are increasingly using paper bags rather than plastic

containers for selling items such as croquettes and fried chicken. In other areas, some fresh meat sales areas have adopted the method of packing meat for sale in plastic bags without a polystyrene tray.



**Development of Eco-Friendly Products**

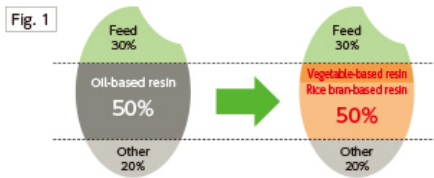
Seven & i Holdings is approaching the development and manufacture of the products it supplies to customers by developing and selling eco-friendly products that use recycled materials or materials that have a low environmental impact.

**Environmentally Friendly Rice Ink**

In April 2016, SEJ introduced environmentally friendly 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 oil-based inks and is therefore expected to help reduce environmental impact. Around 50% of SEJ's rice ball packaging is printed with this technology. 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.



**About Rice Ink**



The resin in this ink has been changed from an oil-based to a vegetable-based resin derived from rice bran, which comprises around 50% of the ink coating film.



Rice ink is made from the rice bran produced at a rice mill when polishing rice, which is the main raw material for SEJ's products.

**Use of Forest Thinning Materials in SEVEN CAFÉ Cups**

Forest thinning materials are 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. This is the first such initiative undertaken in convenience store coffee.



A SEVEN CAFÉ cup and the Forest Thinning Material Mark



## Change 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. 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. Furthermore, the CO<sub>2</sub> reduction effect from this initiative is projected to be 170 tons per year, the equivalent of the CO<sub>2</sub> absorbed by approximately 12,000 cedar trees.



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

## Products Using Recycled PET Bottles

Seven & i Holdings sells everyday household products as environmentally friendly merchandise, including Seven Premium Refillable Body Soap, featuring containers made using recycled material from PET bottles recovered at the Group's stores.



Products Using Recycled Material from PET Bottles

## Introduction of Biodegradable Materials

SEJ is replacing the original Salad Cup Container sold in the chilled cases of its stores with containers that use environmental PET made from recycled or biomass PET rather than oil-based PET. The changeover was fully completed within the fiscal year ended February 29, 2016. The CO<sub>2</sub> emission reduction resulting from the change for that fiscal year was 1,790 tons. In future, SEJ plans to expand the range of products featuring containers made using recycled PET materials and plant-derived materials.



Example of Salad Cup Container using environmentally friendly PET

## Introduction of Recycled Materials

IY is introducing recyclable trays. In the fiscal year ended February 29, 2016, approximately 600 types of recyclable tray were introduced (an increase of 10% year on year by weight). The reduction in CO<sub>2</sub> emissions from the introduction of recyclable trays was approximately 2,928 tons. Moreover, the containers for cut fruit and boxed lunches are made from bioplastic, which partially uses plant-derived material.



Recyclable tray

## Change to Eco Materials for Product Labels

The Seven & i Group private brand Seven Premium Select Fresh Eggs package label includes CO<sub>2</sub>-adsorbing material. By using this CO<sub>2</sub> adsorbent, consisting of nanovesicle capsules which capture the carbon emitted during combustion as ash, CO<sub>2</sub> emissions can be reduced by around 20% compared with ordinary labels.



Example of product labels using CO<sub>2</sub> absorbing agents

**Support and Awareness-Raising Activities Within and Outside the Company**

Seven & i Holdings is working to raise the awareness of Group employees through environmental education and other activities. At the same time, we are emphasizing communication with stakeholders outside the Company and encouraging every employee to be aware of our social responsibilities as a corporate citizen and to co-exist in harmony with the global environment and local communities.

**Promoting Environmental Education of Employees and Taking the "Certification Test for Environmental Specialists"**

Seven & i Holdings regularly holds training for new recruits and newly appointed corporate officers with the aim of instilling basic knowledge and facilitating their understanding of environmental matters. In addition, since 2014 we have been conducting a campaign to encourage all employees to take the Certification Test for Environmental Specialists (Eco Test) as a training tool for systematically imparting a broad knowledge about an expansive range of environmental problems.

In this campaign, the Company provides a certain amount of support subsidies for those who pass the Eco Test, with the aim of encouraging participants to voluntarily obtain a broad knowledge about the environment by studying to obtain the certification. At the test conducted in July 2015, 963 people from 17 Group companies took the test, and 765 passed. (The pass rate for employees taking the test was 79.4%, compared with a pass rate of 62.3% for all test-takers nationwide.)



**Holding Environmental Events**

Seven & i Holdings holds environmental events both within and outside the Company to provide opportunities to raise the environmental awareness of employees. For example, Group employees and 7-Eleven franchisees regularly participate in volunteer activities organized by the Seven-Eleven Foundation. Major activities include events such as forest care operations ranging from tree planting to tree thinning and undergrowth cutting at "Seven Forests" in 15 locations throughout Japan; marine afforestation initiatives to increase eelgrass, which purifies water and reduces CO<sub>2</sub> in Tokyo Bay, thereby enriching the bay's marine environment; and clean-up activities on Mt. Fuji. In the fiscal year ended February 29, 2016, a total of 1,869 people took part in such events, comprising both Group employees and personnel from Seven-Eleven Japan franchised stores.



▶ For more details about "Seven Forest" (Japanese Only) [📄](#)

▶ For more details about the Tokyo Bay UMI Project (Japanese Only) [📄](#)

**Support for NPOs and Other Environmental Organizations**

Seven & i Holdings has long been supporting various environmental organizations such as the Keidanren Nature Conservation Fund, which promotes wider awareness of biodiversity, along with the nature protection projects of environmental and wildlife preservation group WWF Japan, and various NGOs in and outside of Japan.

In addition, SEJ has been conducting environmental 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 SEJ and other funds, the Seven-Eleven Foundation assists environmental NPOs\*2 through environmental citizenship activity subsidies, and also supports initiatives to prevent global warming, activities for protecting and conserving the natural environment, and other such efforts.

The Seven-Eleven Foundation operates nature schools based on the principle of "Learning from nature: how to promote co-existence and mutually beneficial relationships between people and nature and the natural environment and local communities," with the aim of protecting and conserving Japan's precious nature and ecosystems. The Kujuu Furusato Nature School located in Oita Prefecture is working to preserve marshland environments, such as the Tadehara and Bougatsuru areas registered under the Ramsar Convention, and is taking action to preserve grassland butterflies. It is also promoting efforts to protect and conserve rural areas through activities such as creating rice paddies that harmonize with nature and making charcoal to help preserve wooded areas. We have prepared programs to enable members of the general public to participate in these activities and through them many people have learned about the importance of nature. The Takao Forest Nature School, a second nature school, was opened in Hachioji City, within Tokyo Metropolis, in April 2015 as a collaborative project with the metropolitan government. The school provides a wide range of programs, including forest care activities, outdoor environmental workshops, and the development of forest care personnel.

A program to create rice paddies that harmonize with nature and nurture life run by the Kujuu Furusato Nature School has been designated as a collaborative project of the Japan Committee for UNDB. In November 2015, the program was awarded a Certification of Gratitude from the committee based on a strong evaluation of its activities.



\*1. Store-front donations collected in the fiscal year ended February 29, 2016 amounted to ¥430,926,053.

\*2. Assistance for environmental NPOs through public aid in the fiscal year ended February 29, 2016 (including recipients of ongoing support): 264 aid projects; ¥169,311,877 provided in total



Collection box placed on counters in stores



Kujuu 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 service offices at each Group company and at the CSR Department of Seven & i Holdings. In 2014, when we identified the material issues that Seven & i Holdings should address, we incorporated the opinions of 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](#)

## Policy Recommendations

Seven & i Holdings makes policy recommendations at the stage of drafting laws and regulations by participating as necessary in meetings organized by government organizations, central government ministries and agencies, and industry groups, as well as in other forums.

For example, Seven & i Holdings made policy recommendations on issues and other matters related to regulations on transporting PET bottles collected at stores from the standpoint of a retailer. In Japan, supermarkets usually have a box at the storefront for collecting used PET bottles, which are then passed to a recycling operator, in order to promote the recycling of resources. However, under this method, the PET bottles collected at the store are categorized as industrial waste, which cannot in principle be transported without an industrial waste collection and transportation permit. This makes the cost of transporting the PET bottles around twice that of an ordinary transport operator. In addition, longer transport distances create an environmental burden.

To solve these problems, Seven & i Holdings participated in a regulation revision conference of the Cabinet Office in 2014. Seven & i Holdings submitted that the PET bottles are collected for the purpose of recycling, and not as waste. Based on both cost and environmental considerations, we continuously proposed that delivery trucks be allowed to load their truck beds with used PET bottles and transport them after unloading products at stores. As a result of this proposal, in certain areas the regulation has now been relaxed to allow ordinary transport operators to carry the bottles after making an application to the local municipality.

