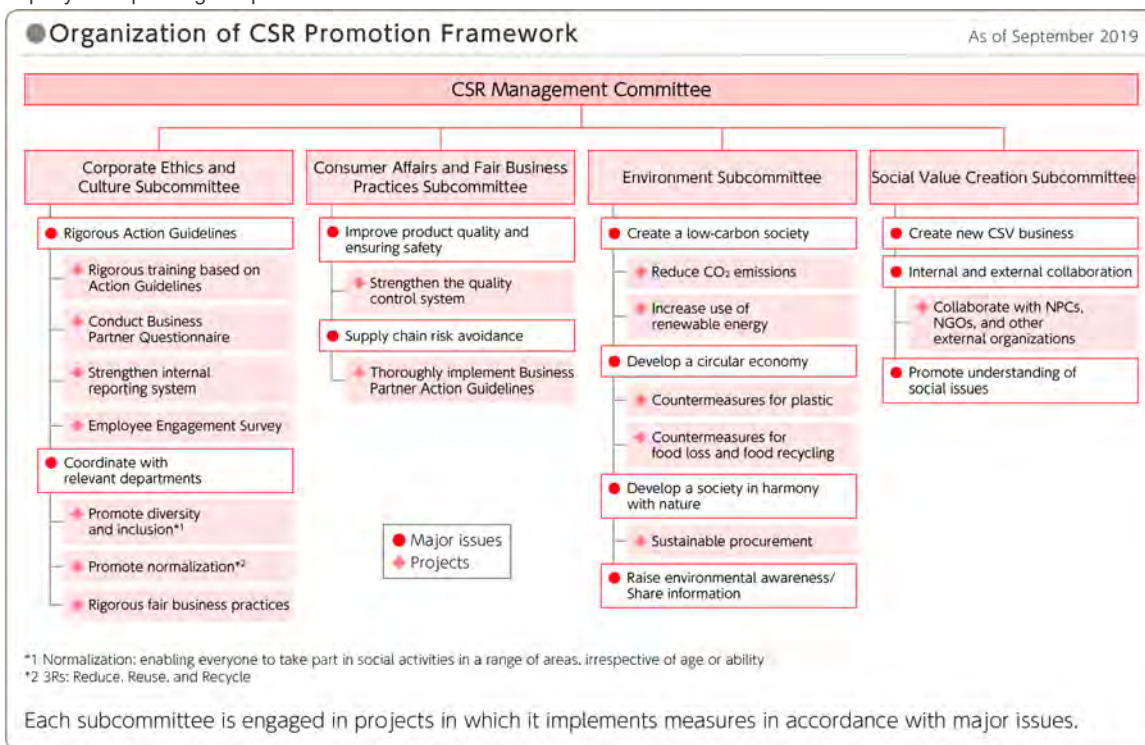


CSR Management

Seven & i Holdings works toward solving social issues in its core operations through promotion and development of businesses such as products and services. At the same time, we aim for sustainable development that creates value for both companies and society.

CSR Promotion Framework

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



Corporate Ethics and Culture Subcommittee

The Corporate Ethics and Culture Subcommittee conducts initiatives aimed at Group employees based on rigorous implementation of the Corporate Action Guidelines. In our initiatives to ensure rigorous implementation of the Corporate Action Guidelines, individual Group companies revised their guidelines (employee codes of conduct) in accordance with the Seven & i Group's Corporate Action Guidelines, which were revised in September 2016. Moreover, we are working to improve employee awareness by making everyone aware of the Corporate Creed and the Corporate Action Guidelines, as well as conducting e-learning related to CSR and compliance throughout the entire Group.

In addition, we also conduct a Business Partner questionnaire to confirm that Group employees are acting in accordance with the Corporate Creed and Corporate Action Guidelines in their dealings with business partners.

Group companies share information throughout the Group on the progress made by each Group company and accomplishments of measures to improve the issues identified by this survey. Through these efforts, we seek to improve on those issues.

Meanwhile, to create fulfilling workplaces, we have been conducting an Employee Engagement Survey since the fiscal year ended February 28, 2019. The issues that come to light from this survey are reported to managers, and measures are currently being formulated and implemented to improve them. In addition to these surveys, we have established an internal reporting system so that we can hear a wide variety of voices, including employees, business partners, their family members. The Corporate Ethics and Culture Subcommittee also carries out initiatives to monitor and improve the system.

In addition to these initiatives, we are 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. In addition, we are 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.

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

Consumer Affairs and Fair Business Practices Subcommittee

The Consumer Affairs and Fair Business Practices Subcommittee aims to improve product quality and ensure safety in the products and services handled at Group companies. It also strives to disclose appropriate and clear information that helps customers to select and use products. To improve product quality and ensure safety, the Subcommittee aims to establish and strengthen its own quality levels and control systems for each Group company based on Group-wide quality policies.

[> For details about the Quality Policy](#)

Furthermore, to ensure that we meet our social responsibilities regarding products and services across the entire supply chain, we ask business partners to understand and implement the Seven & i Group Business Partner Action Guidelines, and regularly confirm and assess their compliance.

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

Environment Subcommittee

Based on the GREEN CHALLENGE 2050 announced in May 2019, the Environment Subcommittee is working to promote initiatives to develop a low-carbon society, a circular economy, and a society in harmony with nature.

With regards to a low-carbon society, we will enhance information sharing at our Group companies. In addition to reducing CO2 emissions as part of our store management, we are promoting initiatives to reduce CO2 across the entire supply chain, from product development to production, shipment, sales, and consumption.

With regards to creating a circular economy, we are working to reduce the usage of plastic bags from cash registers and shift to environmentally-conscious materials for containers for our Group's original products (including Seven Premium).

In addition, we have been utilizing the Seven & i Group's store networks in various regions by installing automated plastic bottle collection machines in stores since 2012 and expanding the number of stores collecting bottles. The collected bottles are recycled in Japan and used in Seven Premium packaging for bottled beverages made from 100% recycled material, among other products. We are also expanding our initiatives to reduce food waste and promote food recycling.

With regards to creating a society in harmony with nature, we are aiming to expand the use of materials with guaranteed sustainability for the food ingredients that we use in our original Group products (including Seven Premium).

To further promote these initiatives, we selected leaders from responsible departments at our Group companies and launched four cross-group Environmental Innovation Teams. We are also working to raise employees' environmental awareness by periodically providing environmental training to our employees so that all employees in the Group can work together.

Social Value Creation Subcommittee

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

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

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

Targets and Progress by Each Subcommittee

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

Major FY2018 Targets	Results for FY2018	Evaluation	Plans for FY2019
Corporate Ethics and Culture Subcommittee			
① Thoroughly ensure compliance with Corporate Action Guidelines			
<ul style="list-style-type: none"> ● Make everyone aware of and abide by the Corporate Creed and Corporate Action Guidelines 	<ul style="list-style-type: none"> ● Explained the Corporate Creed and Corporate Action Guidelines to employees ● Confirmed compliance with the Corporate Action Guidelines through the Employee Engagement Survey (Compliance rate: 90%) 	△	<ul style="list-style-type: none"> ● Explain the Corporate Creed and Corporate Action Guidelines to employees ● In the next Employee Engagement Survey, aim to improve compliance with the Corporate Action Guidelines
<ul style="list-style-type: none"> ● Conduct e-learning on LGBT issues, ESG, and the SDGs tailored to recent social developments ● Conduct e-learning on harassment (practical application) 	<ul style="list-style-type: none"> ● Conducted the following e-learning sessions: ESG Edition (April 2018) SDGs Edition (June 2018) LGBT Edition (April 2018) Harassment Edition (November 2018) 	○	<ul style="list-style-type: none"> ● Conduct e-learning tailored to solving social issues through one's work as well as recent social developments
<ul style="list-style-type: none"> ● Continue intellectual property training incorporated into training and e-learning to ingrain understanding, investigate further training on intellectual property, and enhance understanding further ● Designate November as Compliance Reinforcement Month and conduct training and other programs 	<ul style="list-style-type: none"> ● Conducted e-learning: Harassment Edition (November 2018) ● Conducted compliance training using an external instructor at some operating companies (November 2018 – February 2019) 	○	<ul style="list-style-type: none"> ● Continue conducting e-learning on compliance and harassment ● Conduct compliance training using an external instructor at operating companies that did not conduct it in FY2018
② Strengthen the internal reporting system			
<ul style="list-style-type: none"> ● Establish an Audit & Supervisory Board Hotline for cases in which management is suspected of being involved 	<ul style="list-style-type: none"> ● Established the Audit & Supervisory Board Hotline (February 2019) 	○	<ul style="list-style-type: none"> ● Aim to register the Employee Help Line at the Consumer Affairs Agency's Whistleblower Compliance Management System
③ Create fulfilling workplaces			
<ul style="list-style-type: none"> ● Review employee opinion surveys, change to a survey for understanding employee engagements, and implement in FY 2018 	<ul style="list-style-type: none"> ● Conducted Employment Engagement Survey in November 2018 	○	<ul style="list-style-type: none"> ● Manage issues based on the survey results and formulate and implement improvement measures
<ul style="list-style-type: none"> ● Share information among and provide support to operating companies in order to further promote the employment of persons with disabilities ※ Produce a DVD on the hiring and retention of persons with disabilities ● Maintain or exceed the statutory employment rate for people with disabilities at the five applicable Group companies 	<ul style="list-style-type: none"> ● Shared information on the status of hiring, determination of hiring rates, and promotion of employment of persons with disabilities at relevant operating companies Achieved employment rate for people with disabilities of 2.66% (Group applicable employment rate) ● Produced a Human Rights Awareness Handbook and DVD and conducted employee training 	○	<ul style="list-style-type: none"> ● Share information among and provide support to operating companies in order to further promote the employment of persons with disabilities ※ Produce a DVD on the hiring and retention of persons with disabilities ● Maintain or exceed the statutory employment rate for people with disabilities at the five applicable Group companies
<ul style="list-style-type: none"> ● Certify approximately 35,000 cognitive impairment supporters group-wide on a cumulative basis 	<ul style="list-style-type: none"> ● Certified approximately 34,000 cognitive impairment supporters on a cumulative basis (as of end of February 2019) 	△	<ul style="list-style-type: none"> ● Certify approximately 40,000 cognitive impairment supporters group-wide on a cumulative basis

Major FY2018 Targets	Results for FY2018	Evaluation	Plans for FY2019
④ Diversity & Inclusion Promotion Project			
<ul style="list-style-type: none"> ● Set KPI to increase the percentage of female managers to 30% by 2020 and review progress each fiscal half ● Continue nurturing and bolstering female candidates for management positions 	<ul style="list-style-type: none"> ● Percentage of female managers (end of February 2019) Section Managers: 23.1% Team Leaders: 32.8% ● Held Group D&I Promotion Liaison Meeting (four sessions) ● Continued holding seminars for female candidates for management positions (four sessions) 	○	<ul style="list-style-type: none"> ● Set KPI to increase the percentage of female managers to 30% by 2020 and review progress each fiscal half ● Strengthen training of female candidates for management positions
<ul style="list-style-type: none"> ● Continue to conduct awareness raising activities targeting the executives and managers of Group companies ● Encourage men to participate more in housework and childcare (cooking classes for men and so on) 	<ul style="list-style-type: none"> ● Held four diversity management seminars ● Held meetings for Ikumen Promotion Program (two sessions) ● Held meetings for Child-Raising Community (four sessions) 	○	<ul style="list-style-type: none"> ● Continue to conduct awareness raising activities targeting the executives and managers of Group companies ● Encourage men to participate more in housework and childcare ● Promote use of childcare leave among male employees
<ul style="list-style-type: none"> ● Raise understanding of programs and achieve zero employee separations due to the need to provide nursing care ● Enhance the dissemination of information to employees currently involved in nursing care 	<ul style="list-style-type: none"> ● Ascertained family care situation ● Continued holding family care seminar (two sessions) 	○	<ul style="list-style-type: none"> ● Disseminate basic knowledge on balancing work and family care responsibilities
<ul style="list-style-type: none"> ● Promote diversity and inclusion and continue internal publicity relating to work-life synergies ● Develop appropriate responses to LGBT customers and employees at worksites ● Aggressive external communication 	<ul style="list-style-type: none"> ● Presented role models through Group PR brochures and ran a special feature on LGBT issues ● Continued holding LGBT seminars (one session) ● Chosen as a "Nadeshiko Brand" by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange, Inc 	○	<ul style="list-style-type: none"> ● Promote diversity and inclusion and continue internal publicity relating to work-life synergies ● Promote LGBT understanding ● Aggressive external communication
Consumer Affairs and Fair Business Practices Subcommittee			
① Improving product quality and ensuring safety			
<ul style="list-style-type: none"> ● Develop foundations and reinforce organization and personnel at each Group company 	<ul style="list-style-type: none"> ● Group companies established a special department independent from the sales department ● Group companies increased personnel 	○	<ul style="list-style-type: none"> ● Develop foundations and reinforce organization and personnel at each Group company
<ul style="list-style-type: none"> ● Conduct MD training (textiles, sundries, Pharmaceuticals and Medical Devices Act, etc.) ● Produce a handbook to enhance the knowledge of employees responsible for apparel and household products 	<ul style="list-style-type: none"> ● Group company training results: 697 employees ● Handbooks distributed to Group company salespeople and used as educational materials: 1,500 	○	<ul style="list-style-type: none"> ● Conduct MD training (textiles, sundries, Pharmaceuticals and Medical Devices Act, etc.)
<ul style="list-style-type: none"> ● Promote acquisition of certification pursuant to international standards by plants that manufacture original products to support HACCP systemization ● Establish a foodstuffs sanitation and management handbook 	<ul style="list-style-type: none"> ● Requested that certification be acquired within 2020 ● Handbooks distributed to company MDs in charge of food quality: 1,200 	○	<ul style="list-style-type: none"> ● Promote acquisition of certification pursuant to international standards by plants that manufacture original products to support HACCP systemization

Major FY2018 Targets	Results for FY2018	Evaluation	Plans for FY2019
② Establishing fair business practices			
<ul style="list-style-type: none"> In preparation for the consumption tax rate increase, monitor the status of compliance with the consumption tax imputation methods and promote remedial measures 	<ul style="list-style-type: none"> Verified compliance at companies and promoted remedial measures 	○	<ul style="list-style-type: none"> In preparation for the consumption tax rate increase, monitor the status of compliance with the consumption tax imputation methods and promote remedial measures
<ul style="list-style-type: none"> Conduct joint training for new newly appointed product managers in March and October on abuse of dominant bargaining position, the Subcontracting Act, and display-related laws Conduct e-learning May: Labeling, premiums, etc. September: Consumption tax imputation method October: Antimonopoly Act (abuse of dominant bargaining position, Subcontracting Act) 	<ul style="list-style-type: none"> Conducted joint training for newly appointed employees March: 15 companies, 83 employees, 100% attendance rate November: 13 companies, 83 employees, 92.2% attendance rate Conducted e-learning [Attendance Status] May: Laws related to labeling (22 companies, 4,133 employees, 100% completion rate) November: Subcontracting Act, Act Concerning Special Measures for Correcting Practices Impeding Consumption Tax Pass-on, etc. with the Aim to Ensure Smooth and Proper Pass-on of Consumption Tax (23 companies, 7,852 employees, 99.9% completion rate %) 	○	<ul style="list-style-type: none"> Conduct joint training for new newly appointed product managers in March and October on abuse of dominant bargaining position, the Subcontracting Act, and display-related laws Conduct e-learning • May: Labeling, premiums, etc. • September: Consumption tax imputation method • October: Antimonopoly Act (abuse of dominant bargaining position, Subcontracting Act)
③ Rigorous Implementation of Business Partner Action Guidelines			
<ul style="list-style-type: none"> Promote understanding of the guidelines 	<ul style="list-style-type: none"> Held local briefing sessions • April: China/Thailand (191 plants, 307 employees) • October: Thailand/Cambodia/Vietnam (60 plants, 102 employees) 	○	<ul style="list-style-type: none"> Hold local briefing sessions March: Four venues in China April: Southeast Asia (Myanmar, Cambodia, Thailand, Vietnam, Indonesia)
<ul style="list-style-type: none"> Raise awareness about compliance 	<ul style="list-style-type: none"> Held compliance seminar April: China (Shanghai) (22 plants, 33 employees) July: Shanghai, Tsingtao, Bangkok (95 plants, 142 employees) September: Shanghai, Tsingtao, Bangkok (55 plants, 69 employees) 	○	<ul style="list-style-type: none"> Hold compliance seminars China: April/June/August Southeast Asia: Five countries – May/July/September
<ul style="list-style-type: none"> Conduct CSR audit 	<ul style="list-style-type: none"> Conducted at 327 plants Overseas: 13 countries, 274 plants Japan: 53 plants 	○	<ul style="list-style-type: none"> Planned for approx. 700 plants Overseas: 13 countries - 370 plants Japan: 330 plants

Major FY2018 Targets	Results for FY2018	Evaluation	Plans for FY2019
Environment Subcommittee			
① Initiatives for achieving a low-carbon society			
<ul style="list-style-type: none"> ● Add IY Foods as a target for third-party trials of CO2 emissions and conduct at 12 Group companies 	<ul style="list-style-type: none"> ● Conducted third-party trials at 12 Group companies, including IT Foods 	○	<ul style="list-style-type: none"> ● Continue conducting third-party trials at 12 Group companies ● Compile information on CO2 emissions reduction and so on for Group companies, confirm their progress, and share information to accurately evaluate and verify reduced CO2 emissions
② Initiatives for achieving a circular economy			
<ul style="list-style-type: none"> ● Introduce environmentally friendly packaging materials for an additional 950 Seven Premium products (for a total of 1,900 products) 	<ul style="list-style-type: none"> ● Introduce for a total of 2,050 products 	○	<ul style="list-style-type: none"> ● Introduce environmentally friendly packaging materials for an additional 650 Seven Premium products (for a total of 2,700 products)
<ul style="list-style-type: none"> ● Expand the recovered plastic bottle recycling scheme using plastic bottle recovery machines at stores 	<ul style="list-style-type: none"> ● Installed 759 plastic bottle recovery machines total across the Group this fiscal year and collected approx. 300 million bottles 	△	<ul style="list-style-type: none"> ● Develop and sell Seven Premium bottled beverages made using 100% recycled materials from the plastic bottles collected by stores
			<ul style="list-style-type: none"> ● Begin an initiative that awards nanaco points for purchasing daily food whose sell-by date is approaching to reduce food waste
③ Initiatives for developing a society in harmony with nature			
			<ul style="list-style-type: none"> ● Formulate sustainable procurement policies/standards for food ingredients
④ Raising employee environmental awareness			
<ul style="list-style-type: none"> ● Have 2,000 employees pass the Certification Test for Environmental Specialists (for a cumulative total of 6,151) 	<ul style="list-style-type: none"> ● Number of employees who passed: 2,363 (cumulative total: 6,515) 	○	<ul style="list-style-type: none"> ● Have 4,000 employees pass the Certification Test for Environmental Specialists (for a cumulative total of 10,615)
Social Value Creation Subcommittee			
① Promote understanding of social issues			
<ul style="list-style-type: none"> ● Use opportunities for dialogue such as events for exchanging opinions with outside stakeholders to deepen understanding of social issues local communities where stores are located 	<ul style="list-style-type: none"> ● Considered conclusion of a comprehensive alliance agreements with municipalities containing local communities where stores are located to be an opportunity for dialogue. Gathered information from local communities about the issues facing them and considered business plans 	△	<ul style="list-style-type: none"> ● Invite social entrepreneurs working on the front lines and have them provide lectures about their own experiences in planning, establishing, and growing businesses to acquire business creation know-how
② Create new CSV businesses			
<ul style="list-style-type: none"> ● Create new business through collaboration with outside organizations such as NPOs and NGOs ● Develop and sell products that use recyclable resources through collaboration with the Environment Subcommittee 	<ul style="list-style-type: none"> ● Coordinated with social entrepreneurs and began operating a program that develops new businesses with social issues as the starting point ● Jointly planned private-brand green tea made completely from used plastic bottles produced through closed-loop recycling collected from Group stores, and sold it at Group companies 	○	<ul style="list-style-type: none"> ● Operate programs that develop new businesses with social issues as the starting point and create new businesses that achieve both social value and economic value

CSR Training for Employees

Seven & i Holdings provides employees with CSR training via group training when they join the company or are appointed to a new position through promotion or advancement in rank, in addition to using such means as the Company newsletter and the CSR Databook. 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.

Also, we have been conducting CSR training via e-learning for all employees at domestic Group companies. In the fiscal year ended February 28, 2019, we conducted e-learning on LGBT issues, SDGs, ESG investment, and preventing harassment.

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

