

Material Issue 5 Building an Ethical Society and Improving Resource Sustainability Together with Customers and Business Partners

Approach to Material Issues

In the course of supplying a vast amount of products and services, Seven & i Holdings believes that the Group has an important role to play in providing socially and environmental responsible products and services, thereby helping to build an ethical* society.

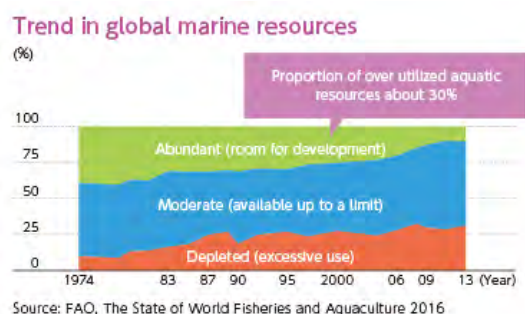
In every process from procuring raw materials for products to delivering products to customers, Seven & i Holdings believes that it must not only comply with laws and regulations, but it must also supply valuable products that show consideration for society and the environment. This will contribute to improving the sustainability of resources and is crucial to enhancing the strength of supply chains and ensuring business continuity. Moreover, awareness of ethical consumption has been increasing among customers in recent years. Addressing this awareness will also help to strengthen Seven & i Holdings' competitiveness. For these reasons, we will advance initiatives targeting the entire supply chain, including business partners.

* The word "ethical," in addition to its conventional meaning, has been increasingly associated with environmental preservation and social contribution in recent years.

Background to Material Issues

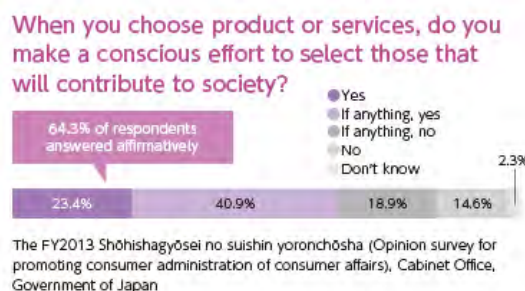
Decline and Depletion of Fisheries Resources

Amid increasing consumption of seafood in recent years, activities such as overfishing and environmentally destructive resource usage have taken place. As a result, sound marine resources have been steadily declining, while an increasing number of resources face the risk of depletion. Among familiar seafood items in Japan, Pacific Bluefin tuna and Japanese eel are endangered species in danger of extinction.



Heightened Interest in the Social and Environmental Impact of Supply Chains

Against the backdrop of a multitude of social issues around the world, an increasing number of consumers are seeking to purchase goods produced through fair trade practices. With this heightened awareness of ethical consumption, it has become crucial to build sustainable business models across the entire supply chain.



Promotional Framework for Material Issues

The entire Group is working to address this material issue, with specific measures being examined and formulated by the following committees and subcommittees. The CSR Management Committee and its subordinate Consumer Affairs and Fair Business Practices Subcommittee examine the themes of “Fair and impartial business practices” and “Addressing the social and environmental impacts of the supply chain.” The Environment Subcommittee addresses themes related to product procurement and business partners, including the “Depletion of natural resources” and the “Loss of biodiversity.” These activities are supervised by the Seven & i Holdings Director Executive Officer Head of Corporate Communication Division.

Contribution to SDGs

By addressing this material issue, Seven & i Holdings will achieve sustainable food production and consumption patterns through the entire supply chain, and will contribute to achieving Sustainable Development Goals 2, 7, 8, 10, 12, 13, 14, 15 and 16.



Seven & i Holdings' Initiatives

Strengthening the Business Partner Action Guidelines

We are strengthening the implementation of the Business Partner Action Guidelines in order to provide customers with safe and reliable products and to fulfill our societal responsibilities in cooperation with our suppliers on matters such as human rights, labor issues, and the environment.

[> More](#)

Sustainable Environment Conservation Activities

In cooperation with NPOs and other organizations, we undertake measures that contribute to the prevention of global warming and conservation of biodiversity.

[> More](#)

Sustainable Procurement of Raw Materials

We have formulated the Basic Policy on Sustainable Procurement to ensure sustainable use of natural resources for future generations and we are taking action in collaboration with various stakeholders.

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Strengthening Implementation of the Business Partner Action Guidelines

Seven & i Holdings is strengthening implementation of the Business Partner Action Guidelines to provide customers with safe, reliable products and fulfill its social responsibilities in cooperation with business partners on matters such as human rights, labor issues, and the environment.

Ensure Implementation of Business Partner Action Guidelines

Seven & i Holdings formulated the Seven & i Holdings Business Partner Action Guidelines in 2007, and revised them in April 2017 to form the Seven & i Group Business Partner Action Guidelines (the "Guidelines"), which all business partners are requested to understand and observe. The Guidelines are designed not only to guarantee the safety and quality of the Group's products and services but also to promote consideration for legal and regulatory compliance, global environmental conservation, and labor environment throughout the supply chain so that we can fulfill our corporate social responsibility together with our business partners. The Guidelines are communicated to business partners of Group companies through various meetings.



Seven & i Group Business Partner Action Guidelines (Excerpt)

1. Legal Compliance
2. Respect for Human Rights
3. Human Resources and Workplace Environment
4. Preservation of Global Environment
5. Relationship with Local and International Communities
6. Information Management
7. Product Safety Assurance
8. Fair Business Practices
9. Protection of Intellectual Property
10. Management of Import and Export Transactions
11. Extension to Supply Chains
12. Monitoring

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

Promoting the Seven & i Group Business Partner Action Guidelines

The Seven & i Group will promote the Group's Business Partner Action Guidelines in accordance with the spirit of reliability and sincerity stated in the Group's corporate creed for mutual benefit and sustainable growth together with business partners.

For the purpose of contributing to the SDGs and responding to ESG, the Group will seek business partners' understanding of these Guidelines, and promote effective and sustainable activities. With understanding, awareness, and practice of the Seven & i Group Business Partner Action Guidelines as the policy, the following items are incorporated into the PDCA cycle mainly for business partners tasked with producing the private brand products of Seven & i Group companies.

- 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

Supplier risk is categorized into five levels (R1 to 5) by region from viewpoints such as human rights, labor environment, and global environmental conservation. R1 is the region with the highest risk, which is positioned as "China and emerging regions in Southeast Asia," and the Group will focus on responses for this region.

Distributing and Disseminating the Seven & i Group Business Partner Action Guidelines

From June to October 2018, product development staff of Seven & i Group companies distributed and disseminated the Business Partner Action Guidelines to 18,484 business partners.

Organizing Briefings about the Quality Policy and Seven & i Group Business Partner Action Guidelines

Of the business partners contracted for private brand products, local briefings about the Guidelines and related policies are conducted for those in China and the Southeast Asian region for which CSR risk is expected to be high. In April and October 2018, briefings were organized at three venues in China—Qingdao, Shanghai, and Shenzhen—as well as three venues in Southeast Asia—Thailand (Bangkok), Cambodia (Phnom Penh), and Vietnam (Ho Chi Minh City)—with 402 participants from a total of 260 business partners. In March and April 2019, briefings were organized at four venues in China—Dalian, Qingdao, Shanghai, and Shenzhen—as well as five venues in Southeast Asia—Myanmar (Yangon), Thailand (Bangkok), Cambodia (Phnom Penh), Vietnam (Ho Chi Minh City), and Indonesia (Jakarta)—with 482 participants from a total of 287 business partners.

In addition, at the briefings, certificates and trophies were awarded to business partners who are excellent in quality management and CSR management.

Scenes from Business Partner Action Guidelines Briefings



March 2019 at Shanghai



April 2019 at Jakarta

Conducting Self-Checks

To check the state of promotion of the Business Partner Action Guidelines and support corrective actions, the Seven & i Group administers a self-check sheet for business partners. In drafting the check sheet, we referred to sources such as the ISO 26000 standard, the Japan Business Federation's Charter of Corporate Behavior, the OECD Guidelines for Multinational Enterprises, and the ILO International Labour Standards. In November 2018, checks on 61 items—including human rights, labor environment, global environmental conservation, and information management—were conducted for companies contracted to manufacture private brand products of Seven & i Group companies.

State of Self-Check Replies

Item	Business partners targeted	No. of replies	Reply rate	Total no. of factories replied	No. of factories in Japan	No. of overseas factories
Value	1,437 companies	1,050 companies	73.1%	1,902 factories	1,468 factories	434 factories

Self Check Sheet Items (Excerpt)

1. Legal Compliance
2. Respect for Human Rights and Dignity
3. Human Resources and Workplace Environment
4. Preservation of Global Environment
5. Relationship with Local and International Communities
6. Information Management
7. Product Safety Assurance
8. Fair Business Practices
9. Monitoring

(Questions about whether a business partner has prepared documentation and implementation records that prove compliance with the Guidelines.)

Conducting Compliance Training

Compliance training is conducted for business partners in China and Southeast Asia—for which CSR risk is high—contracted to manufacture private brand products for the purposes of raising awareness about human rights, labor environment, global environmental conservation, and other issues; understanding and promoting relevant basic laws and regulations; and thoroughly ensuring compliance with laws and regulations. The training covers the Seven & i Business Partner Action Guidelines, ILO International Labour Conventions, ISO 26000, labor safety laws and regulations of each country, facility management, chemical substance management, and consultation on corrective actions in view of CSR audit results. Preparation and operation of the training is contracted to TÜV Rheinland Japan Ltd.

State of Participation in FY2018

Period	Venue	No. of participants	No. of participating factories
April 2018	China (Shanghai)	33	22
July 2018	China (Qingdao)	44	28
	China (Shanghai)	50	37
	Thailand (Bangkok)	48	30
September 2018	China (Qingdao)	24	18
	China (Shanghai)	28	25
	Thailand (Bangkok)	17	11

State of Participation in FY2019 (as of October 2019)

Period	Venue		No. of participants	No. of participating factories
April 2019	China (1st time)	3 venues	185	123
May 2019	Southeast Asia (1st time)	4 countries	117	67
June 2019	China (2nd time)	3 venues	135	96
July 2019	Southeast Asia (2nd time)	3 countries	42	24
August 2019	China (3rd time)	3 venues	176	116
September 2019	Southeast Asia (3rd time)	4 countries	113	59
Total times conducted	20			



April 2019 at Qingdao



May 2019 at Bangkok

Conducting Business Partners' CSR Audits

The Seven & i Group conducts CSR audits for the purposes of ensuring the safety and reliability of products being provided to customers, for mutual benefit and sustainable growth with business partners, and to validate the promotion of the Business Partner Action Guidelines.

CSR Audits of Overseas Factories

Since the fiscal year ended February 28, 2013, Seven & i Holdings has conducted CSR audits to determine the status of compliance with the Guidelines at a selection of factories of the business partners we have asked to submit self-check sheets. The CSR audits are performed annually, mainly targeting factories of business partners producing private-brand products in developing countries.

The CSR audit is performed by an external third-party auditing organization based on our independently established CSR audit program (approximately 114 items in 16 categories.) The CSR audit items are based on the content of ISO 26000, and the audit examines whether a factory complies with the principles laid out in the Guidelines in the following 16 categories.

Number of CSR Audits

Fiscal year	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 plan
Audits	17	28	328	226	245	215	327	360

The audit results for the fiscal year ended February 28, 2019 showed some form of legal infractions at 86.2% of factories, and corrective actions are being taken. For cases of non-compliance, 218 cases were confirmed to be related to facility safety, 99 cases related to working hours, 95 cases related to environmental response, and 82 cases related to benefits.

※Factories contracted to manufacture Seven Premium (private brand) products as well as factories in China and Southeast Asia (13 countries) contracted to manufacture private brand products of Group companies.

CSR Audits of Factories in Japan

Seven-Eleven Japan conducts CSR audits on some business partners in Japan. Guidelines for the CSR audits are developed according to the items in ISO 26000, and audits are carried out by external third-party inspection organizations on the factories of business partners. This initiative began in the fiscal year ended February 28, 2017, and audits have been conducted on 54 factories as of February 28, 2019. Going forward, the supply chain will continue to be involved in the promotion of CSR.

With the handling of issues such as work style innovation, foreign workers, and global environmental conservation being viewed as problems, the Seven & i Group started to conduct CSR audits on factories in Japan contracted to manufacture Seven Premium products in 2018. Regarding the number of audits, tests were conducted at 50 factories in the fiscal year ended February 28, 2019, and audits are being planned for approximately 300 factories (30% of total) from the fiscal year ending February 29, 2020. The audit results of the fiscal year ended February 28, 2019 showed some form of non-compliance at all factories audited, and corrective actions are being undertaken. TÜV Rheinland Japan Ltd. is contracted to conduct on-site audits on factories both overseas and in Japan. The following is an example for the check items.

CSR Audit Category (16 Categories)

■ 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 Action Guidelines
- To the extent feasible, organizations should extend the Guidelines to their own supply chains.
- Organizations must monitor and comply with the 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. After giving adequate notice, workers may resign freely as they wish.
- 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 put 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, heavy labor, or excessive noise. 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.

■ 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.

■ 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.

Factories are given prior notice before being visited for audits, and compliance with CSR audit items is confirmed by checking sites, documents, and data as well as through interviews with managers and workers. 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 and other materials.

However, in cases that exceed certain standards, such as when numerous serious unacceptable items are found, the resolution of issues is confirmed by revisiting the factory to perform a re-audit.

When the unacceptable items are remedied or the auditing organization and Seven & i Holdings judge that the content of the CAP to be satisfactory, a Compliance Certificate is issued to the relevant business partner.



Compliance certificate

Future Responses

The Seven & i Group will continue to promote the Business Partner Action Guidelines and strengthen responses to SDGs and ESG. Together with business partners, the Group will aim to realize decent work, the eradication of forced labor, and prohibition and elimination of child labor as stated in Goal 8 of the SDGs. In addition, the Group will actively work on the social (S) aspect of ESG, including the improvement of labor environment in the supply chain. Going forward, the Group will continue to contribute toward the realization of a sustainable society together with business partners who support such initiatives.

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Sustainable Environment Conservation Activities

Seven & i Holdings cooperates with NPOs and other organizations to undertake measures that contribute to the prevention of global warming and preservation of biodiversity.



Seven Forest Creation Conservation Project

Seven & i Holdings participates in Seven Forest creation activities run by the Seven-Eleven Foundation at 20 locations across Japan to help prevent global warming and contribute to the maintenance and conservation of biodiversity.

The Seven Forest creation concept is a forest nurturing project that includes tree planting, undergrowth clearing, and forest thinning. Japan implements a cycle for planting, nurturing and harvesting trees and then replanting new ones. It takes decades to nurture a tree, during which time people systematically carry out forest conservation activities to protect forests. Trees create water that is rich in minerals and by releasing it into rivers and oceans, they protect biodiversity and help to prevent global warming.

Seven Forest creation activities are carried out by employee volunteers from 7-Eleven franchised stores and Group companies under collaboration agreements with forestry cooperatives, NPOs and others throughout Japan. In the fiscal year ended February 28, 2019, activities were held 26 times and a total of 2,694 people participated.

Another forestry issue in Japan is the need to encourage greater use of wood materials collected from forest thinning activities. 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. Furthermore, the Seven-Eleven Foundation also undertakes marine afforestation initiatives that increase eelgrass—which is helpful in purifying water and reducing CO2—and regenerates the marine environment. The foundation conducts the Tokyo Bay UMI Project since 2011, and the Hannan Seven marine afforestation initiative at Osaka Bay since 2018.

[> For details about Seven Forest \(in Japanese\)](#)



Seven Forest Creation

Overview of Seven Forest Creation



Seven-Eleven Foundation

The Seven-Eleven Foundation was established in 1993 for 7-Eleven stores and the Head Office to work together as one on environmentally themed social contribution activities. Using money collected from in-store donation boxes and donations from the Head Office, the foundation engages in projects related to environmental citizenship activity support, nature conservation, and disaster reconstruction assistance. In the fiscal year ended February 28, 2019, instore donations totaled ¥375,482,345 and around ¥153,957,167 was used to give grants to 271 environmental citizenship grant projects (including ongoing projects), which support environmental activities by local residents.

➤ [Seven-Eleven Foundation website \(in Japanese\)](#) 



UMIGOMI Zero WEEK

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 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 February 28, 2019, 12,679 trees were planted).



Green Wrapping



Employees carefully plant seedlings provided by the kindness of customers

Sale of Rice Cultivated to Protect the Environment and Biodiversity

Ito-Yokado sells a rice series that not only uses fewer agrichemicals and chemical fertilizers, but also encourages “biodiversified farming,” in which rice fields also service as wildlife habitats. Part of the sales are donated for environmental improvements. In the fiscal year ended February 28, 2019, sales of Koshihikari Rice Nurturing White Storks provided approximately ¥50,000 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 ¥150,000 to the Fund for the Improved Habitat for the Japanese Crested Ibis.



Rice cultivated while protecting the environment and biodiversity

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Sustainable Procurement of Raw Materials

To ensure sustainable use of natural resources across future generations, Seven & i Holdings formulated the Basic Policy on Sustainable Procurement and has been promoting initiatives in collaboration with various stakeholders.



Sales of “Blue Fish Label ” MSC-certified Products

Seven & i Holdings is responding to the current trends of rising environmental awareness among customers and attention on ethical consumption through initiatives that will augment the use of food ingredients guaranteed for their sustainability in original products. Since October 2018, in the marine products under the Seven Premium private brand, products certified by MSC* are sold at the stores of the Seven & i Group. These are natural marine products obtained through fishing practices which are friendly to marine resources and the marine environment and have passed management system inspection even for processing and distribution.



Marine product with MSC certification

※MSC : Marine Stewardship Council

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

<https://www.msc.org/jp/home>

Sales of Products Certified by the Aquaculture Stewardship Council (ASC Certification)

In March 2011, Ito-Yokado joined a project advanced by the Tokura Office of the Miyagi Prefecture Fisheries Cooperative's Shizugawa Branch to restore and achieve a sustainable marine industry in terms of economic and other aspects in tandem with protecting the bountiful marine environment. In October 2016, Ito-Yokado commenced the sale for the first time in Japan of farmed oysters that have obtained Aquaculture Stewardship Council (ASC) certification, an international certification system for environmentally and socially responsible aquaculture businesses. The farmed oysters were grown by the cooperative.



Farmed oysters with ASC certification

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. In Alaska, the source region of the brand's all-natural marine products, Alaska Seafood strictly manages resources and fisheries to ensure that the ecosystem that nurtures these natural marine resources is not impaired.

In the fiscal year ended February 28, 2019, Group companies held events and took other measures in August to promote sales of Alaska Seafood. For example, Sogo & Seibu conducted in-store Alaska Seafood promotions at eight stores in the fiscal year ended February 28, 2019 to inform customers about the appeal of Alaska Seafood. Alaska Seafood products were also promoted as oseibo (winter gifts).



Seven Premium Benizake no Shioyaki

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

Procurement of Organic Products

In response to rising consumer interest in product safety and reliability in recent years, Seven & i Holdings started selling 100% Organic Cotton Innerwear products which have cleared strict organic production standards for women under the Seven Premium Lifestyle Group-wide private brand in December 2015. These products are sold at around 182 Ito-Yokado and York Benimaru stores throughout Japan (as of February 28, 2019) and the Group's integrated portal website, omni7. The cotton used as raw materials in these products is only organic cotton that meets U.S. Organic Content Standards (OCS). Apart from these products, Seven & i Group companies also sell items such as organic cotton towels and apparel, as well as organic coffee and loose leaf tea.



Seven Premium Lifestyle 100% Organic Cotton Innerwear

Handling of Low-Agrichemical Products

Ito-Yokado and York Benimaru sell private brand products that use fewer agrichemicals than the values regulated by law. Examples include the Fresh Vegetables with Traceability and Fresh Fruits with Traceability private brand products sold at Ito-Yokado. Although these products are not completely organic, they are grown with fewer agrichemicals, and assure traceability of the growing region and growing history. Sales of these products in the fiscal year ended February 28, 2019 were approximately ¥22.6 billion.

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).

In addition, at our Seven Farms, which are engaged in agricultural operations, and under our Fresh Vegetables with Traceability and Fresh Fruits with Traceability brands, we aim to ensure safe agricultural produce, correct farm management, and so forth, and have acquired Japan Good Agricultural Practice (JGAP) certification. JGAP 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. Since JGAP includes standards relating to "food safety" and "environmentally sustainable agriculture," these products use the minimum necessary level of agricultural chemicals.



Fresh Vegetables with Traceability

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

1. Stores only stock 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.

■ **Food Safety**

- Management of soil, water and propagation materials
- Fertilizer management
- Agricultural management
- Hygiene management during harvesting and transport
- Agricultural produce handling

■ **Environmentally Sustainable Agriculture**

- Water conservation
- Soil conservation
- Consideration for surrounding lands
- Waste management, reduction and recycling
- Energy efficiency
- Environmental awareness and consideration for biodiversity

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, 2019, FSC®-certified paper is used for 291 items including ice cream containers, and PEFC-certified paper is used 24 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.