

CSR DATA BOOK 2019

Contents

Message from the President	2
Basic Policies of CSR Initiatives	3
Stakeholder Engagement	5
Corporate Governance	7
Compliance	11
Human Rights Initiatives	18
CSR Management	21
Risks and Opportunities Related to Sustainability	28
Seven & i Holdings' Material Issues	32
 Providing Social Infrastructure for an Aging Society and Declining Population	36
 Providing Safety and Reliability through Products and Stores	48
 Non-Wasteful Usage of Products, Ingredients and Energy	72
 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society	98
 Building an Ethical Society and Improving Resource Sustainability Together with Customers and Business Partners	132
Social Contribution Activities	147
Overseas Initiatives	151
Awards and Recognition by Outside Parties	180
Data Section	183

About the CSR Data Book

This website covers CSR initiatives implemented by Seven & I Holdings, our holding company, and its operating companies. There is comprehensive reporting on initiatives each operating company has taken in regard to the material issues and CSR activities overseas. Moreover, the SDG logo appears on Seven & i Group initiatives aimed at achieving the Sustainable Development Goals (SDGs)* adopted by the UN Summit in 2015.

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

Period of the Report

This website covers our activities during the fiscal year ended February 28, 2018 (March 2017 to February 2018). Some of our activities in the fiscal year ending February 28, 2019 are also included.

References

GRI Sustainability Reporting Standards
ISO 26000

Current Report September 2018

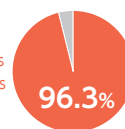
Disclaimer

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

Report Coverage

The Report mainly covers the following organizations. Information on each company is also available on the following websites.

Sales of reporting organizations
as a percentage of overall sales



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

Message from the President

The Seven & i Group strives, in accordance with its corporate creed,¹ to be a sincere business enterprise that earns the trust of all stakeholders including customers, business partners, shareholders, local communities, franchisees, and employees. The distribution and retail environment in Japan today is undergoing rapid changes. As we face various problems such as changing social needs with the increasing number of working women, falling birthrate, aging population, and shrinking population as well as global environmental problems, we are endeavoring to solve social issues based on our management resources by incorporating the ESG (Environmental, Social and Governance) viewpoint into our management and business activities. Therefore, the Seven & i Group signed the United Nations Global Compact² in 2012 and, in addition to practicing its 10 principles, we also identified five priority topics (material issues) that are particularly important for society and the Group through dialogue with stakeholders in 2014. Currently, we are correlating these material issues with 17 goals identified in the United Nations Sustainable Development Goals (SDGs)³ while engaging in solving issues through our main business with the aim of creating new logistics service business models based on our material issues. As part of this, we established our GREEN CHALLENGE 2050 Environmental Declaration in May 2019. As we have deployed our business with the goal of pursuing customer convenience, we have had a social impact in terms of our environmental impact and the external diseconomy. It is essential to proactively and autonomously engage in solving issues in order to attain a sustainable future. When formulating our environmental proclamation, we identified four major themes⁴ that have a particular impact on society amongst the various environmental burdens caused by our business activities. We have set clear quantitative targets for 2030, which is the near future, based on our ideal stance for 2050, which is still some time into the future. We have also established four innovation teams and will work to promote effective initiatives across the group while striving to solve issues in coordination with customers, business partners and local communities based on unity amongst all group employees.



Ryuichi Isaka
President and
Representative
Director and
Chairman

*1 The Seven & i Group Corporate creed:

We aim to be a sincere company that our customers trust.

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

We aim to be a sincere company that our employees trust.

*2 Sustainable Development Goals:

The SDGs are targets for all of international society adopted unanimously by the 193 member states of the United Nations at the Sustainable Development Summit in September 2015. There are 17 goals and 169 targets regarding priority, global-scale issues, creating a clear vision for the world to be achieved by 2030.

*3 United Nations Global Compact:

A voluntary initiative whereby companies and organizations participate in a global framework to act as good members of society by displaying responsible and creative leadership to achieve sustainable growth. The Compact comprises 10 principles in four fields (human rights, labor, the environment, and anti-corruption) recognized by international society and globally adopted and agreed upon as universal values.

*4 Four themes:

CO₂ emission reduction, plastic countermeasures, food loss/foodstuff recycling countermeasures, sustainable procurement

Basic Policies of CSR Initiatives

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



Corporate Creed

We aim to be a sincere company that our customers trust.

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

We aim to be a sincere company that our employees trust.

The Basic Posture of Seven & i Holdings Employees

> [Corporate Action Guidelines](#)

Basic Policy

1. Provision of Safe and High-Quality Products and Services
2. Maintenance of Fair and Transparent Transactions
3. Cooperation with Local and International Communities
4. Respect for Human Rights
5. Respect for Diversity and Improvement of Job Satisfaction
6. Preservation of the Assets and Information of the Company
7. Contribution to a Sustainable Society
8. Dialogue with Stakeholders
9. Efforts Regarding Social Issues

Code of Corporate Conduct

1. Compliance (Legal Compliance)
2. Relationships with Customer
3. Relationships with Business Partners
4. Relationships with Shareholders and Investors
5. Relationships with Local and International Communities
6. Relationships between the Company, and Directors, Officers, and Employees
7. Preservation of Global Environment

Policies for Each Measure

- [Quality Policy](#)
- [Environmental Guidelines and Environmental rules](#)
- [Basic Policy Relating to Measures to Contribute to the Prevention of Global Warming](#)
- [Basic Policy on Sustainable Procurement](#)
- [Business Partner Action Guidelines](#)
- [Basic Policy on Social and Cultural Contribution, Social and Cultural Contribution Action Guidelines](#)

Support for the United Nations Global Compact

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



Network Japan
WE SUPPORT

[> UN Global Compact](#)

Addressing the Sustainable Development Goals (SDGs)

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

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



[> Sustainable Development Goals](#)

Stakeholder Engagement

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

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

Seven & i Holdings' Stakeholders

Engagement with Stakeholders		Main Engagement Methods	Main Response Policy
Customers	We constantly think of things from the customer's point of view, and to earn our customers' trust we value communication, and will continue to respond to their feedback.	<ul style="list-style-type: none"> ● Daily operations ● Inquiries to the customer feedback department ● Customer questionnaires ● Website community that invites customers to participate 	<ul style="list-style-type: none"> ● Provide products and services that enrich customers' lives ● Improve products and services and ensure safety ● Label accurately in an easily understandable manner ● Manage personal information appropriately ● Promote universal design
Business Partners	Our products and services could not be supplied without the cooperation of our business partners. We will rigorously observe laws and regulations and internal rules relating to fair trade as well as build relationships of trust with business partners to ensure maintenance of safety and security and accounting for human rights and the environment. We will work together with them to carry out our social responsibilities.	<ul style="list-style-type: none"> ● Product development meetings ● Quality improvement meetings ● Informal gatherings with business partners ● CSR audits of business partners ● Business Partner Help Line ● Business partner questionnaires 	<ul style="list-style-type: none"> ● Development of products and services through team merchandising ● Rigorous fair trade practices ● Compliance with laws and regulations through the supply chain and consideration for human rights and the environment
Shareholders and Investors	Our operations are underpinned by the investments of our shareholders and investors. To respond to their trust, we emphasize highly transparent management and communication and fulfill our duty of accountability through disclosure.	<ul style="list-style-type: none"> ● General Shareholders' Meeting ● Financial results presentations ● Meetings with investors ● Information website for investors and organization newsletter 	<ul style="list-style-type: none"> ● Maximization of shareholder value and return profits ● Proper accounting procedures and timely disclosure of information ● Highly transparent management ● Accountability toward beneficiaries
Local Communities	We aim to play an indispensable role in our local communities. To this end, by providing products and services matching the lifestyles in local communities, encouraging local production and local consumption and coexisting with communities, we will promote activities that contribute to community development.	<ul style="list-style-type: none"> ● Regional Comprehensive Economic Partnerships with local governments ● Participation in community activities ● Dialogue through industry groups 	<ul style="list-style-type: none"> ● Provision of products and services matching regional characteristics ● Consideration for living environments in regional areas ● Contribution to regional development ● Resolution of social issues in collaboration with NGOs, NPOs, and others ● Safe and reliable urban development in collaboration with administrative authorities ● Support for local production and local consumption, dietary education, child-raising, the elderly, and people with disabilities ● Provision of products after the occurrence of natural disasters and support for affected areas ● Participation in volunteer activities

Engagement with Stakeholders		Main Engagement Methods	Main Response Policy
Franchise Store Owners	Seven-Eleven Japan (SEJ) believes that relationships of trust with owners of franchise stores are the core of its business, and these relationships should be mutually beneficial. Through dialogue with Operations Field Consultants (OFCs) we build good relationships based on strong mutual trust and contribute to realizing comfortable and more prosperous lives for customers.	<ul style="list-style-type: none"> ● Regular OFC visits to stores ● Product exhibitions ● Training and workshops by region ● Owners' organization newsletter 	<ul style="list-style-type: none"> ● Strengthening of management structure ● Strengthening of store operation capabilities ● Strengthening of partnerships ● Construction and ongoing improvement of a highly competitive franchise system
Employees	We aim to realize workplaces where employees can participate actively and find satisfaction in their work. To this end, we will create working environments that are fair, just, and considerate of human rights. We will also create environments that protect privacy and safety, while helping workers to develop their capabilities and facilitate their work./td>	<ul style="list-style-type: none"> ● Management policy briefings ● Employee opinion survey ● Employee training ● Self-check systems and individual meetings ● Internal portal website and Group newsletter ● Employee Help Line 	<ul style="list-style-type: none"> ● Respect for human rights, diversity, and individuality ● Creation of discrimination-free workplaces that consider human rights ● Utilization of diverse human resources ● Occupational health and safety and prevention of workplace accidents ● Achievement of work-life balance ● Preventative care for mental health ● Promotion of employee health ● Transparent and fair evaluations ● Respect for rights, such as the right for employees to engage in collective bargaining ● Support for development of employee abilities
Global Environment	Our business is dependent on the blessings of the earth's environment. Therefore, we will provide products and services taking into account the sustainability of the environment, while cooperating with customers, business partners, and employees to reduce the environmental impact throughout the entire supply chain.	<ul style="list-style-type: none"> ● Inquiries to the customer feedback department ● Dialogue with product and packaging materials suppliers ● Dialogue with national and local governments, NPOs, and NGOs, and residents of store neighborhoods ● Dialogue with equipment and maintenance companies ● Waste disposal companies 	<ul style="list-style-type: none"> ● Reduced CO2 emissions ● Reduced energy consumption ● Environmental awareness among employees ● Compliance with environmental legislation ● Installation of energy saving and environmentally friendly equipment ● Water-saving measures ● Reduction of waste and promotion of recycling ● Reduction of packaging materials ● Preservation of biodiversity ● Environmentally considerate products and services

Corporate Governance

The mission of Seven & i Holdings, as a holding company that oversees and controls its operating companies, is to strengthen corporate governance and maximize the enterprise value of the Seven & i Group.

Organization

Seven & i Holdings has adopted the Audit & Supervisory Board system for implementing management oversight. The Board of Directors comprises 12 members, of whom 5 are Outside Directors and one is a female Director. Through the use of multiple Outside Directors who maintain their independence and have advanced management knowledge and experience, Seven & i Holdings protects the interests of general shareholders and enhances the quality of decision-making in business execution. To ensure appropriate reflection of the wishes of shareholders, the term of Directors has been set at one year.

To facilitate prompt decision-making and business execution, the Company has introduced the executive officer system. Under this system, the Board of Directors is able to focus on the formulation of management strategies and the oversight of business execution, while the executive officers can focus on business execution.

The Audit & Supervisory Board comprises five members, including three Outside Audit & Supervisory Board Members who maintain their independence and have specialized knowledge in such areas as legal affairs and financial accounting. Each Audit & Supervisory Board Member fulfills such tasks as attending meetings of the Board of Directors and other important meetings, exchanging opinions with the Representative Directors, periodically receiving reports from Directors and others regarding business execution, and actively exchanging information with the Auditing Office. Through these activities, the Audit & Supervisory Board Members audit the Directors' execution of their duties. In addition, the Audit & Supervisory Board Members actively exchange information with the independent auditor to maintain close ties with it with respect to financial audits.

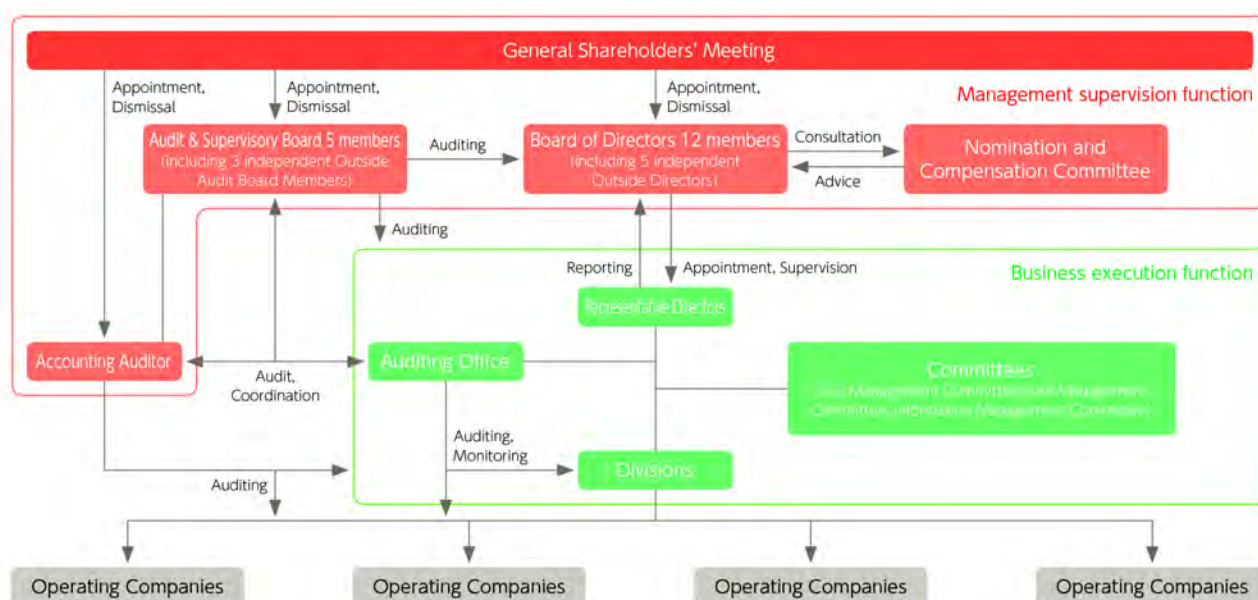
* The number of people is as of the end of May 2019.

Strengthening Corporate Governance

All of the Outside Directors and Outside Audit & Supervisory Board Members of Seven & i Holdings are independent from the Company. Independent Directors and Independent Audit & Supervisory Board Members are defined as Outside Directors and Outside Audit & Supervisory Board Members who have no potential conflicts of interest with general shareholders of the Company. In the event that an Outside Director or an Outside Audit & Supervisory Board Member is likely to be significantly controlled by the management of the Company or is likely to significantly control the management of the Company, that Outside Director or Outside Audit & Supervisory Board Member is considered to have a potential conflict of interest with general shareholders of the Company and is considered to lack independence. In accordance with this fundamental approach, the Company uses the independence criteria established by the financial instrument exchange as the independence criteria for the Company's Outside Directors and Outside Audit & Supervisory Board Members.

These Outside Directors and Outside Audit & Supervisory Board Members hold periodic meetings, as necessary, with the Board of Directors, Representative Directors, and individual Directors to exchange opinions regarding such matters as the Group's management and corporate governance. In addition, Seven & i Holdings assigns employees to assist the Outside Directors and the Outside Audit & Supervisory Board Members. The Company has established a support system that facilitates smooth information exchange and close interaction with the other Directors and the other Audit & Supervisory Board Members.

The Company's Corporate Governance System (As of May 23, 2019)



Nomination and Compensation Committee

Seven & i Holdings has established the Nomination and Compensation Committee with an Independent Outside Director as the Chair to be an advisory committee to the Board of Directors. The committee deliberates on the nomination and compensation of Representative Directors, Directors, Audit & Supervisory Board Members, and executive officers to utilize the knowledge and advice of Independent Outside Directors and Outside Audit & Supervisory Board Members. By ensuring procedural objectivity and transparency in deciding on officer nomination and compensation, the committee enhances the supervisory functions of the Board of Directors and further substantiates corporate governance functions.

Committees

Seven & i Holdings has established the CSR Management Committee, Risk Management Committee, and Information Management Committee, which report to the Representative Director. Each committee cooperates with the operating companies to determine Group policies and to manage and supervise their dissemination and execution with an eye to strengthening corporate governance.

CSR Management Committee

Seven & i Holdings established the CSR Management Committee to carry out, manage, and oversee Groupwide CSR activities. Four subcommittees (the Corporate Ethics and Culture Subcommittee, Consumer Affairs and Fair Business Practices Subcommittee, Environment Subcommittee, and Social Value Creation Subcommittee) were established under the CSR Management Committee as Groupwide organizations that investigate and implement specific measures addressing the five material issues that affect the Group as a whole. Through these subcommittees, we seek to enhance compliance even further and promote business activities that assist in solving social issues involving stakeholders while pursuing sustainable development by both society and the Group from the perspective of ESG (environment, society, and governance).

As one part of Groupwide internal controls, we are operating an internal reporting system that can be utilized by Group executive officers, employees and business partners. The officer responsible for the CSR Management Committee periodically reports to the Board of Directors and confirms that operation status of the internal reporting system.

Risk Management Committee

The company and its Group companies, in accordance with the “basic rules for risk management,” establishes, maintains, and utilizes comprehensive risk management systems, centered on the Risk Management Committee, in order to properly analyze and evaluate, and appropriately respond to risks associated with each business, with consideration for changes in the management environment and risk factors relevant to the Company and its Group companies. The Risk Management Committee regards all phenomena that threaten continuation of our businesses and hinder sustainable growth as risks, and works to strengthen comprehensive and integrated risk management.

In the fiscal year ended February 28, 2019, we revised the basic rules for risk management based on a review of risk categories that correspond to internal and external environmental changes as well as quantitative standards. In addition, to improve the effectiveness of risk management, we made efforts to further strengthen risk management throughout the Group through support for the implementation of Group company risk evaluation, analysis, and reduction countermeasures by the various risk management control divisions of our company.

Information Management Committee

The Information Management Committee is in charge of initiatives to strengthen corporate governance and information security based on gathering and managing information.

In the fiscal year ended February 28, 2019, continuing from the fiscal year ended February 28, 2018, the committee strengthened its system for gathering important information from each company in an appropriate and timely manner and collaboratively addressing the information while working to enhance the system for centrally managing that information and reporting it without omission or delay to management and relevant departments.

In response to heightened social interest in protection of personal information and to ensure that customers can use the Group's integrated EC website, omni7, as well as various operating company applications safely and securely, all business sites that handle customer personal information have acquired ISMS certification (ISO27001), an international standard for information security management systems (ISMS) and are working to reinforce information security. The committee formulated information security standards to be achieved by the Group and is working to further strengthen information security by promoting a PDCA cycle compliant with ISMS certification methods throughout Group companies as well.

Reinforcing Internal Control Systems

Seven & i Holdings has worked to enhance its internal control systems to achieve the required conditions of internal control: 1) operational effectiveness and efficiency; 2) reliability in financial reporting; 3) strict compliance with laws and regulations in operating activities; and 4) appropriate preservation of assets.

The Board of Directors responded to the enforcement of the Companies Act of Japan in May 2006 by passing a resolution concerning the Company's "Basic Policy on Internal Control Systems." The Board of Directors continually monitors the establishment of various rules as well as the status of risk management.

In February 2009, as one facet of initiatives implemented in response to the introduction of the internal control reporting system under the Financial Instruments and Exchange Act, the Company formulated the "Rules for Establishing Internal Control Concerning Financial Reporting" and the "Rules for Evaluating Internal Control Concerning Financial Reporting." In accordance with these rules, in March 2009 the Company established the position of internal control evaluation director in the Auditing Office. The internal control evaluation director implements evaluations of internal control concerning financial reporting for the Group as a whole.

In addition to this type of system enhancement, the Company has prepared an Internal Control Handbook. The Company is working to ensure that all of the Group's employees understand the objectives and importance of internal control.

Moreover, following revisions to the Companies Act and the Ordinance for Enforcement of the Companies Act in May 2015, the Company established systems for ensuring appropriate operations within the corporate group formed by Seven & i Holdings and Group subsidiaries and enhanced and clarified the regulations relating to systems for supporting audits and so forth.

> [Further details about corporate governance can be found here:](#)

Compliance

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

Seven & i Holdings Corporate Action Guidelines

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

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

Basic Policy

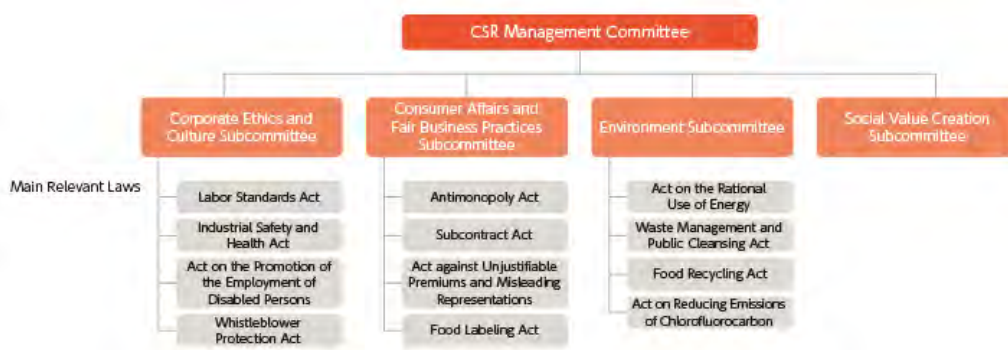
1. Provision of Safe and High-Quality Products and Services
2. Maintenance of Fair and Transparent Transactions
3. Cooperation with Local and International Communities
4. Respect for Human Rights
5. Respect for Diversity and Improvement of Job Satisfaction
6. Preservation of the Assets and Information of the Company
7. Contribution to a Sustainable Society
8. Dialogue with Stakeholders
9. Efforts Regarding Social Issues

Code of Corporate Conduct

1. Compliance (Legal Compliance)
2. Relationships with Customers
3. Relationships with Business Partners
4. Relationships with Shareholders and Investors
5. Relationships with Local and International Communities
6. Relationships between the Company, and Directors, Officers, and Employees
7. Preservation of Global Environment

Compliance System

Seven & i Holdings has a CSR Management Committee, chaired by the President, and three subcommittees—the Corporate Ethics and Culture Subcommittee, the Consumer Affairs and Fair Business Practices Subcommittee, and the Environment Subcommittee. These subcommittees work together with each Group company to promote the Seven & i Holdings Corporate Action Guidelines and to rigorously enforce compliance.



Internal Reporting System

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

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

When the Company receives a report, it quickly confirms the facts, corrects any violations that are found, and strives to prevent a recurrence. To create an environment that facilitates reporting, reports can be made anonymously, and our operating regulations stipulate that whistleblowers are not to be subjected to disadvantageous treatment for having made a report. The person is contacted four weeks after completion of the case by the third-party consultation desk to check that they have not suffered retaliation or disadvantageous treatment.

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

Registration for the Consumer Affairs Agency's Whistleblower Certification

In July 2019, to further enhance our compliance management and aim to become a Group that is trusted by all stakeholders, including our customers and business partners, our Group registered its "Groupwide Employee Help Line" to the Consumer Affairs Agency's Whistleblower Compliance Management System.



※Whistleblower Compliance Management System

A system in which businesses compare their own internal reporting systems to the Consumer Affairs Agency's "Guidelines for .," and those businesses who comply with said guidelines are given permission to display the WCMS symbol.

Groupwide Employee Help Line

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

Procedural Flow for the Groupwide Employee Help Line



Number of reports for the fiscal year ended February 28, 2019

Breakdown of Internal Reports



* For the Groupwide Help Line, some Group compares have their own internal reporting consultation desks in addition to third-party consultation desks. Moreover, operating companies in North America and China also have their own internal reporting systems to receive reports and consultations from employees.

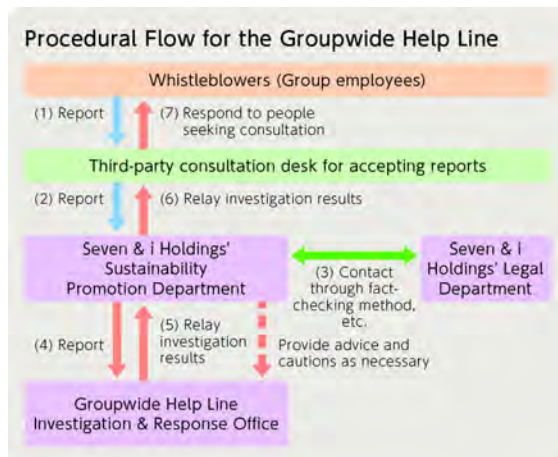
Audit & Supervisory Board Hotline

The Audit & Supervisory Board Hotline was newly established in the fiscal year ended February 28, 2019 to receive reports independent of management related to actions that could potentially result in the loss of social trust in which the directors, members of the Audit & Supervisory Board, executive officers, and other members of management for Group companies in Japan are suspected of being involved. The Seven & i Holdings Audit & Supervisory Board and the Audit & Supervisory Boards of its operating companies coordinate to handle cases.

Business Partner Help Line

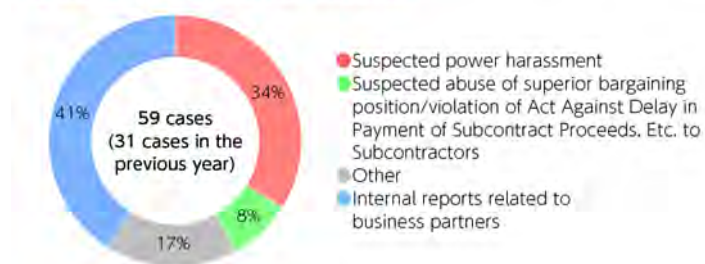
The Business Partner Help Line is provided for Directors and Audit & Supervisory Board Members, employees, and former employees of domestic Group companies' business partners. To ensure that business partners are fully aware of the help line system and its points of contact, we explain it at briefings for business partners and distribute information in pamphlets.

Procedural Flow for the Business Partner Help Line



Number of reports for the fiscal year ended February 28, 2019

Breakdown of Internal Reports



Education and Training of Employees

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



Compliance Awareness Survey

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

> [For more details of the Employee Engagement Survey, please visit:](#)

System for Prevention of Noncompliance Regarding Business Partners

Seven & i Holdings has established the FT (Fair Trade) Information Sharing Committee, made up of personnel in charge of fair trade at each Group company, under the Consumer Affairs and Fair Business Practices Subcommittee. In this project, the members strive to prevent noncompliance by sharing information on the latest laws and regulations concerning business practices, cases of unfair business practices at Group companies or other companies in the industry, and measures for improvement.

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

Prevention of Noncompliance at Group Companies

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

Prevention of Noncompliance Regarding Business Partners

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

Moreover, the Seven & i Group conducts individual employee interviews led by the employee's supervisor once every six months. At the individual interviews of personnel in charge of purchasing, their compliance with fair business practices is evaluated and reflected in their compensation package. From the fiscal year ended February 28, 2017, the Seven & i Group has conducted questionnaire surveys of business partners to confirm whether the speech and behavior of employees toward business partners follow the Seven & i Holdings Corporate Action Guidelines. In these surveys, business partners reply to questions anonymously. In May 2019, a total of approximately 8,300 representatives of business partners responded to questionnaire surveys issued by Group companies.



Protecting Personal Information and Appropriately Securing the Safety of Information Assets

Seven & i Holdings has established the Basic Policy on Protection of Personal Information and the Basic Policy on Information Security. As a sincere company trusted by its stakeholders, Seven & i Holdings has made it mandatory for officers and all employees to protect the personal information handled by the Group and appropriately secure the safety of information assets as a material management and business issue and a social responsibility. At the same time, the Company aims to ensure appropriate business execution through the protection of personal information and the use of information assets by complying with relevant laws and regulations such as the Act on the Protection of Personal Information and internal rules.

> [The Privacy Policy can be found here](#)

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

Tax-Related Policies

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

Seven & i Holdings Global Tax Policy

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

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

■ 1. Legal Compliance

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

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

■ 2. Ensure Transparency

Seven & i Holdings and its Group companies, including overseas subsidiaries, provide timely and appropriate disclosure of management data and tax payment status in accordance with the laws of each country where they have operations.

Moreover, the Company and its Group companies, including overseas subsidiaries, do not engage in tax avoidance practices, which seek to excessively reduce tax payments, and transactions between operating companies are conducted according to the arm's length principle.

■ 3. Relationship with Tax Authorities

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



Tax-Related Risks

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

Financial Risks

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

Business Risks

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

Tax-Related Reports

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



Tax payment amount by country or region for the fiscal year ended February 28, 2019

(Millions of yen)

	Japan	North America	China
Tax payment	71,671	9,004	817
Operating income	319,613	90,411	1,562
Revenues from operations	3,812,200	2,862,627	117,555

Human Rights Initiatives

In accordance with the Seven & i Group Corporate Action Guidelines, the Seven & i Group complies with international standards on human rights and engages in initiatives aimed at respecting the human rights of all stakeholders.

Philosophy and Policies on Respect for Human Rights

The Seven & i Group has cultivated a culture of always respecting human rights, and never discriminating against, or allowing discrimination against anyone, including customers, business partners, people in local communities, and employees. We recognize that respect for human rights is an extremely important social responsibility as a part of our business activities, and we respect basic human rights as provided for in the Universal Declaration of Human Rights and other international proclamations. The Seven & i Holdings Corporate Action Guidelines stipulates that no person shall be unfairly discriminated against or harassed based on their social status, nationality, race, family lineage, creed, age, gender, sexual orientation*, gender identity*, physical or mental disability, or other traits. We work to ensure that all employees understand these Guidelines.

Furthermore, we believe that the cooperation of our business partners is necessary to advance our initiatives on respecting the human rights and the dignity of all people involved in our business activities. We have established the Seven & i Holdings Business Partner Action Guidelines and work to ensure that our business partners understand and comply with them.

As a sign of our respect for human rights, Seven & i Holdings is also a signatory and supporter of the UN Global Compact comprising 10 principles related to human rights, labor, environment, and anti-corruption.

* Sexual orientation: A person's sexual nature determining the gender(s) to which he or she feels attracted

* Gender identity: The recognition and sense of which gender an individual feels they belong to

■ Seven & i Holdings Corporate Action Guidelines

> [Basic Policy 4. Respect for Human Rights](#)

■ Seven & i Group Business Partner Action Guidelines

> [2. Respect for Human Rights](#)

Promotion Framework

Seven & i Holdings has established the Human Rights Education Center as a dedicated entity for overseeing and promoting the Group's efforts with respect to human rights education and normalization. The Human Rights Education Center coordinates with the personnel and CSR promotion departments of each Group company, and carries out a variety of educational and awareness activities. In addition, the Corporate Ethics and Culture Subcommittee under the CSR Management Committee regularly shares the progress on efforts related to human rights education, and advances activities aimed at having all employees of Group companies correctly understand and recognize human rights, along with fostering a corporate culture free of discrimination or prejudice.

With respect to human rights initiatives in the supply chain, the Consumer Affairs and Fair Business Practices Subcommittee under the CSR Management Committee takes the lead role in encouraging human rights awareness among business partners.

Human Rights Awareness and Training

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

Conducting Training

Seven & i Group companies provide a variety of human rights awareness training to employees, including part-time employees. For example, Ito-Yokado holds level-specific human rights awareness training when employees join the company and at other times, with training content matching job responsibilities. Employees come to recognize that human rights issues are an intricate part of everyday life, and the training includes specific examples as well as new developments and issues so that employees can apply what they learn to their daily activities. In the fiscal year ended February 28, 2019, a total of 73 training sessions were held, and a total of 1,728 employees underwent training. In order to further support training by Group companies, Seven & i Holdings has been using “Human Rights – Let’s Start by Learning,” a handbook published in February 2017, to raise employee awareness.



Human Rights – Let’s Start by Learning handbook



Human rights training

Solicitation of Proposals for Human Rights Slogans

To create a corporate culture in which each employee’s human rights are respected in accordance with the Corporate Action Guidelines, each year the Seven & i Group solicits proposals for human rights slogans from all employees, including part-time employees, and their family members. By coming up with slogans, employees are encouraged to think about human rights, which raises their awareness of human rights issues. The most excellent slogans submitted are published in the Group’s internal newsletter and on the intranet website, and are awarded prizes. The contest was held for the 28th time in the fiscal year ended February 28, 2019, and 70,637 proposals were received. This marks the third consecutive year that more than 70,000 proposals were received.



Poster calling for the submission of human rights slogans

Evaluation of Respect for Human Rights

Conducting Employee Engagement Surveys

Seven & i Group conducts an employee engagement survey targeting Seven & i Holdings as well as Group companies. The survey includes questions asking people if they respect diversity or have seen or heard about problematic employee behavior in the workplace, and checks whether the human rights established in the Corporate Action Guidelines are being respected. The survey conducted in November 2018 targeted approximately 35,000 employees working at 28 Group companies in Japan.

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

Consultation Service for Employees

Seven & i Group has established the Groupwide Help Line as a consultation service for Group employees, their family members, and former employees to consult about or report on any human rights problems in the workplace. The consultation service is operated by a third party under a service contract and a non-disclosure agreement to protect the privacy of people who contact it. When a report or consultation is received, the facts are investigated as necessary having obtained consent from the person who made the report. In addition, the rules of the consultation service stipulate that people who contact the service as well as those who cooperate with the investigation of facts shall not be subject to disadvantageous treatment.

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

Assessment of Business Partners by Self-Check Sheet

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

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

Conducting CSR Audits of Business Partners' Manufacturing Plants

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

An outside audit agency conducts the audits in line with Seven & i Holdings' original audit, which covers topics such as human rights and the work environment (16 categories and approximately 140 check items). This was prepared by making reference to sources such as the ISO 26000 standard, the Japanese Business Federation's Charter of Corporate Behavior, and the OECD Guidelines for Multinational Enterprises. In the fiscal year ended February 28, 2019, CSR audits were conducted at 327 plants in 13 countries.

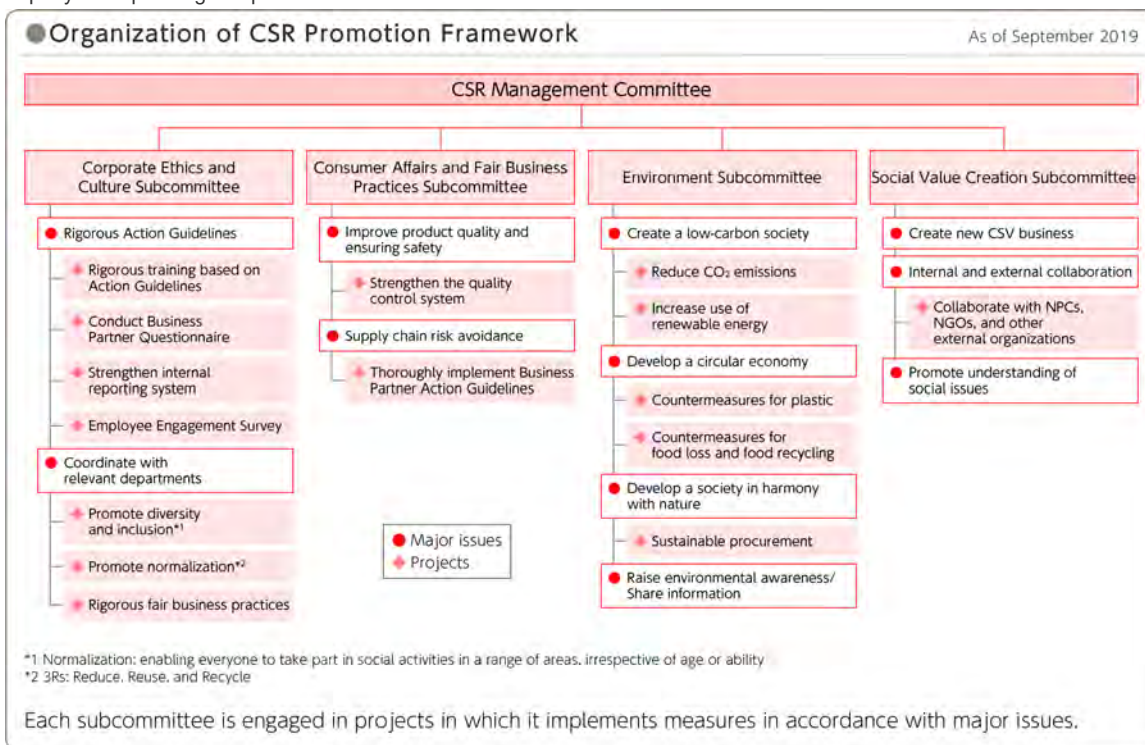
[> Further details about CSR audits of business partners can be found here](#)

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.



Risks and Opportunities Related to Sustainability

Various problems and issues related to the environment and society constitute risks that threaten a company's sustainability, but the act of endeavoring to solve such issues leads to new business opportunities. Seven & i Holdings identifies risks and opportunities related to five material issues, and works to reduce risk levels while striving to realize a sustainable society alongside sustainable corporate growth by creating new business models for solving social issues.

We have therefore created the Corporate Action Guidelines and other policies, and established the cross-group CSR Management Committee and its subcommittees, the Corporate Ethics and Culture Subcommittee, Consumer Affairs and Fair Business Practices Subcommittee, Environment Subcommittee, and Social Value Creation Subcommittee. Specific measures are considered through these committees.

Material Issues, and Main Risks and Opportunities

Material Issue 1

Providing Social Infrastructure for an Aging Society and Declining Population

Risks

- Reduced motivation to visit stores if late in responding to changes in needs associated with the aging society
- Reduction in the number of customers visiting stores due to population declines; etc.

Opportunities

- Increased sales opportunities from creating products for the aging society, and from creating convenient shopping environments and services including online services
- Expanded role in society as social infrastructure and further trust earned from stakeholders; etc.



Reduction of Risk and Creation of Opportunities

- (1) Policy: Corporate Action Guidelines.
- (2) Systems and Mechanisms: CSR Management Committee and its Social Value Creation Subcommittee, Digital Strategy Department.
- (3) Initiatives: Provide shopping support services utilizing the Internet, products based on individual meals, small quantities and convenience, various public services, partnership agreements with municipalities, and services for inbound travelers from overseas (multilingual services).

Material Issue 2

Providing Safety and Reliability through Products and Stores

Risks

- Reduced trust due to product- or store-related accidents or legal infractions
- Operations suspended due to a natural disaster
- Reduced trust from customers due to privacy-related incidents
- Economic loss due to leak of confidential information
- Information system stoppages, etc.

Opportunities

- Expanded sales opportunities from providing new products in line with customer needs, such as products incorporating high levels of safety and quality management and health conscious products
- Provision of social value from quickly resuming operations during disaster situations
- Expanded sales opportunities from CRM strategy that integrates customer information from Group companies



Reduction of Risk and Creation of Opportunities

- (1) Policies: Corporate Action Guidelines, Quality Policy, Basic Policy on Information Security, Privacy Policy, Information Security Standards, Privacy Standards.
- (2) Systems and Mechanisms: CSR Management Committee and its Consumer Affairs and Fair Business Practices Subcommittee and Social Value Creation Subcommittee, Group QC Project, Information Management Committee, Digital Strategy Department, Help Lines (employees and business partners).
- (3) Initiatives: NDF-HACCP operation, development and provision of health-oriented products (no preservative/additives, no trans-fatty acids, low allergen options), release of food product traceability information, information security education.

Material issue 3

Non-Wasteful Usage of Products, Ingredients and Energy

Risks

- Physical damage to stores and distribution networks due to climate change
- Stronger environmental regulations and increased costs
- Increased difficulty of raw material procurement due to climate changes in production regions or resource-related disputes
- Fewer customers if late in responding to increased interest in ethical consumption
- Societal criticism and increased processing costs due to increased waste; etc.

Opportunities

- Reduced costs from energy conservation, reduced waste, recycling, and revised energy mix
- More favorable corporate image from promotion of environmental protection activities
- Increased sales of products oriented to ethical consumption and the environment; etc.

Reduction of Risk and Creation of Opportunities

- (1) Policies: Corporate Action Guidelines, Environmental Declaration, Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming, Environmental Guidelines and Environmental Rules, Fundamental Policies Relating to Sustainable Procurement.
- (2) Systems and Mechanisms: CSR Management Committee and its affiliated Environment Subcommittee.
- (3) Initiatives: Introduction of energy efficient facilities, introduction of renewable energies and new energies (hydrogen), introduction of eco-friendly vehicles, package simplification and material revisions, conversion of food waste to feed and fertilizer, recycling-based agriculture, store resource recovery, environmental awareness-raising for employees.

Material Issue 4

Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

Risks

- Personnel shortages and increased personnel costs due to decline in working population
- Increased difficulty of securing personnel and damage to social reputation caused by mental health and harassment incidents or overly long working hours

Opportunities

- Increased competitiveness and development of new businesses through promoting diversity management, and acquisition of exceptional personnel
- Increased employee motivation from realization of work-life balance
- Increased labor productivity and reduced costs from utilization of AI, IoT, etc.

Reduction of Risk and Creation of Opportunities

- (1) Policies: Corporate Action Guidelines.
- (2) Systems and Mechanisms: CSR Management Committee and its Corporate Ethics and Culture Subcommittee, Diversity Promotion Project, Help Lines.
- (3) Initiatives: Diversity awareness-raising (seminars for managers and for women), training for managerial candidates (training sessions), introduction of support measures for balancing work with childcare and nursing care responsibilities, promotion of health management, promotion of employment of people with disabilities, promotion of special subsidiaries, support for career education for students.

Material Issue 5

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

Risks

- Product supply suspended due to human rights problem on supply chain, reduced quality, damage to social reputation (spread of rumors)
- Increased difficulty of procuring raw materials due to depletion of fishery resources and other natural resources; etc.

Opportunities

- Stable procurement of high-quality products through rigorous consideration of human rights and the environment on the supply chain
- Increased competitiveness from sustainable raw material procurement, expanded sales opportunities from providing products and services for ethical consumption; etc.



Reduction of Risk and Creation of Opportunities

- (1) Policies: Corporate Action Guidelines, Business Partner Action Guidelines, Basic Policy on Sustainable Procurement.
- (2) Systems and Mechanisms: CSR Management Committee and its Corporate Ethics and Culture Subcommittee and Environment Subcommittee.
- (3) Initiatives: Business partner questionnaires, business partner CSR audits, help line (for business partners), forest conservation activities, use of FSC certified paper, handling of ASC and organic products, briefings on Business Partner Action Guidelines.

Seven & i Holdings' Material Issues

Seven & i Holdings has conducted dialogues with various stakeholders and in 2014 determined material issues that should be addressed so that the entire Group can respond to the expectations and demands of stakeholders. We will introduce the determination process here.

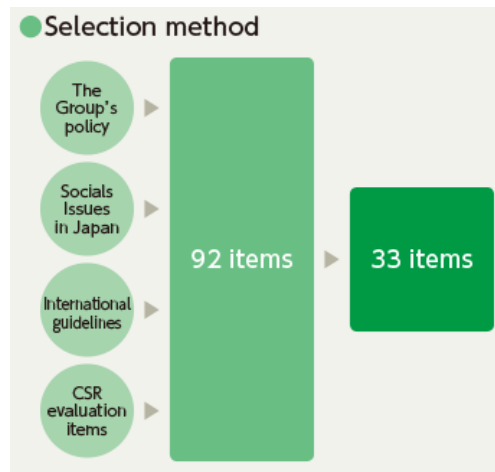
Purpose of Material Issues Determination

- Concentrate on material issues that Seven & i Holdings should address in particular, and respond appropriately as the scope of its business expands and related social issues and social demands become more diverse.
- Clarify the direction towards CSR for the entire Group and maximize Group synergies.
- Implement CSR management and information disclosure in line with global standards.

Material Issues Determination Process

STEP 1 Identify social issues that should be considered

To determine the material issues, we identified social issues that should be considered. In addition to the Group's Corporate Action Guidelines and other policies, global frameworks such as GRI Guidelines G4, ISO 26000, and Millennium Development Goals; issues facing Japan, such as those debated by the Japanese government; and survey items of CSR rating agencies were also taken into consideration to identify social issues that should be addressed.



STEP 2 Interviews with stakeholders

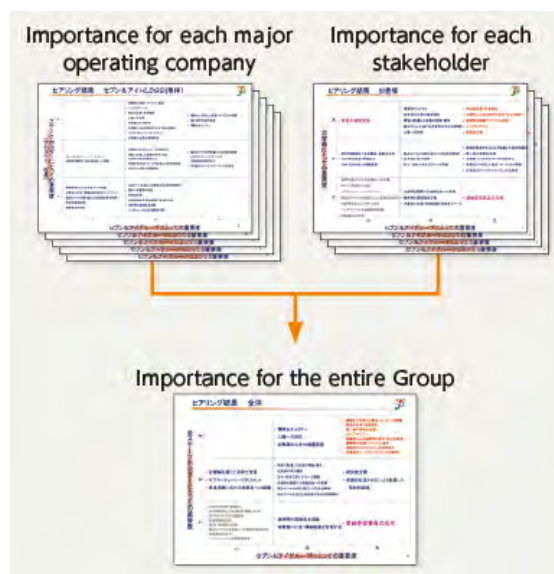
An interview survey in a questionnaire format was conducted with customers, business partners, shareholders and investors, and employees to understand the future expectations and demands of all stakeholders for the Group for the identified social issues. An assessment was made of how much of a priority the Group should place on each issue.

● Stakeholders interviewed and their expectations

	Scope of interviews	Expectations of stakeholders (examples)
Customers	Customers of major operating companies	<ul style="list-style-type: none"> Improving product safety Securely protecting personal information, etc.
Business partners	Main business partners of major operating companies	<ul style="list-style-type: none"> Further improvement of reliability throughout the entire value chain through shopping assistance for people who feel inconvenient for shopping Continuing support for disaster areas, etc.
Shareholders and investors	Retail industry analysts	<ul style="list-style-type: none"> Responding to disposal loss Supporting the needs of elderly people
Employees	Executives and employees of major Group companies	<ul style="list-style-type: none"> Responding to population aging throughout the entire Group Pursuing further quality and safety, etc.

STEP 3 Prepare candidate material issues based on the interview results

Based on the expectations of each stakeholder, the importance of the social issues was evaluated based on the two axes of the importance to each stakeholder and the importance to our Group business. Furthermore, after consolidating these axes to evaluate the overall level of importance, we prepared candidate material issues for the entire Group.

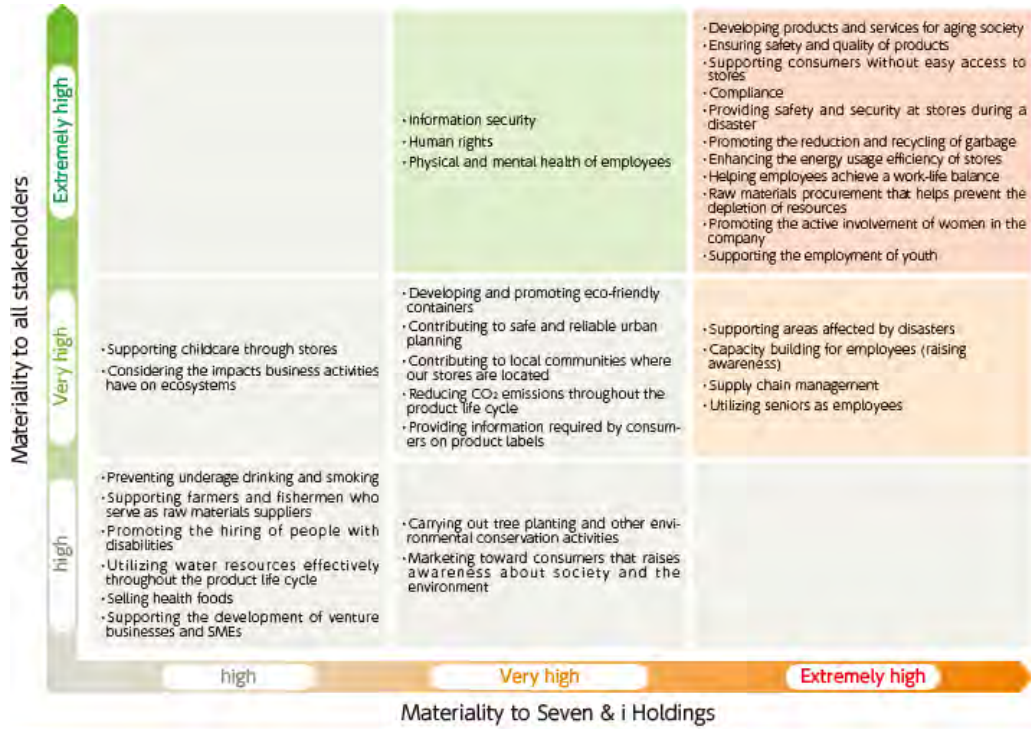


STEP 4 Dialogue with experts

Based on our candidate material issues, we conducted dialogues with experts to discuss what issues Seven & i Holdings should focus on. These dialogues were held between members of the management of Seven & i Holdings and core operating companies, including the President and Representative Director. Opportunities were established to discuss the entire Group and to discuss each business area as opinions were exchanged with experts.

STEP 5 Decide on material issues

We reviewed the importance of the various candidate material issues based on the opinions of stakeholders and experts and summarized them anew. Having sorted the candidate material issues by importance, we integrated the items of greatest importance for stakeholders and the Group's business into five areas that took into account their various associations. The CSR Management Committee, chaired by the President, decided on the material issues that Seven & i Holdings should address as a Group.



Seven & i Holdings' Material Issues

Material Issue 1

Providing Social Infrastructure in this era with an Aging Society and Declining Population



[> More](#)

Material Issue 2

Providing Safety and Reliability through Products and Stores



[> More](#)

Material Issue 3

Non-Wasteful Usage of Products, Ingredients, and Energy



[> More](#)

Material Issue 4

Supporting the Active Role of Women, Youth, and Seniors across the Group and in Society



[> More](#)

Material Issue 5

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



[> More](#)

Material Issue 1 Providing Social Infrastructure in this era with an Aging Society and Declining Population

Approach to Material Issues

Seven & i Holdings is working to enhance the convenience of shopping while leveraging the unique aspects of its business and some 20,000-store network as a form of social infrastructure to support consumers inconvenienced by shopping and to respond to changes taking place in society. These changes include Japan's decrease in population brought on by a declining birthrate and aging society, the advancement of women in society, and the declining number of retail stores, among others. We recognize that fulfilling these diverse needs of our customers is one of our most important and unwavering roles in society. We will continue to tackle these issues as our most importance issues.

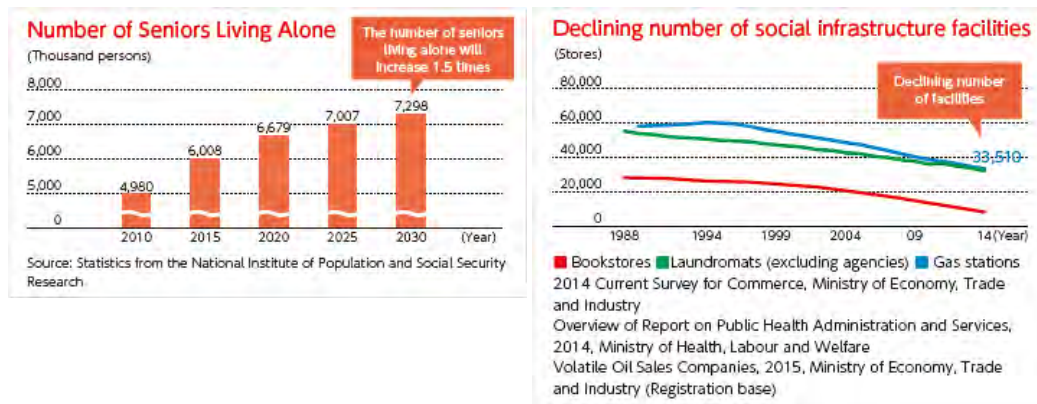
Background to Material Issues

Inconvenience of shopping and other services due to the hollowing out of lifestyle hubs following aging society and declining population trends

Japan is experiencing aging society and declining population trends. By the year 2060, the country's population will dip below 90 million and nearly 40% will be seniors*. The number of seniors living alone continues to increase each year, with the number expected to rise 1.5-fold from the level in 2010 by 2030.

Meanwhile, the hollowing out of lifestyle hubs following the declining population stands as one of Japan's major social issues. Forecasts suggest that the number of seniors living alone without walkable access to a supermarket with fresh produce and meat will double by the year 2030.

* Source: FY2013 Population Estimates, Statistics Bureau, Ministry of Internal Affairs and Communications



Promotional Framework for Material Issues

In response to this material issue, the CSR Management Committee, led by the president, and its subordinate Social Value Creation Subcommittee, work together with the Group companies and related departments to develop various services as initiatives to resolve social issues through business activities, as well as monitoring the progress of activities and promoting new initiatives. These activities are supervised by the Seven and i Holdings Director Executive Officer Head of Corporate Communication Division.

Contribution to SDGs

By addressing these material issues, the Seven & i Group is providing social infrastructure such as public services to a variety of people, including seniors, and contributing to the achievement of Sustainable Development Goals 9, 11 and 16.



Seven & i Holdings' Initiatives

Shopping Support

We are working to create new "shopping support" services to assist customers for whom shopping is an inconvenience.

[> More](#)

Reducing Housework

We are developing and selling cooked meal products based on the concept of individual servings, small volume, and simplicity for those who find meals inconvenient or difficult.

[> More](#)

Expanding Services as a Form of Social Infrastructure

We are providing public services to alleviate inconvenience for those whose lifestyles are affected by the decline in neighborhood social infrastructure.

[> More](#)

Providing Services to a Wide Range of Customers

We are expanding services and supporting shopping to enable all customers to visit and shop at our stores feel safe and secure.

[> More](#)

Material Issue 1 Providing Social Infrastructure for an Aging Society and Declining Population

Shopping Support

Seven & i Holdings will support people for whom shopping is an inconvenience by utilizing the infrastructure it has developed, such as store networks and logistics and information systems, to create new services for shopping support.



Net Supermarkets

IY operates Net Supermarket at 127 stores (as of February 28, 2019) to provide scheduled deliveries of products ordered by customers using PCs or smartphones. Net Supermarket delivers from nearby stores in as little as four hours. The service deals in food and household goods, and pharmaceutical products were added in November 2013. In December 2014, we started offering a service to help parents raising children. With this service, parents who present and register a maternity notebook issued within the last four years can receive deliveries at a fee of only ¥100 (including tax) for four years from the registration date.

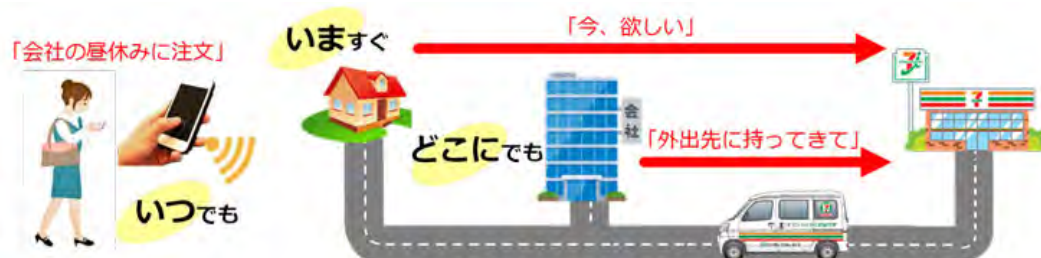
In addition, we opened IY Fresh in November 2017. This joint venture with LOHACO enables customers to order daily necessities from LOHACO and products from Ito-Yokado at the same time (the delivery area is Bunyko-ku, and Shinjuku-ku in Tokyo as of February 28, 2019).



Net Supermarkets

Online Convenience Stores

SEJ offers a service that allows customers to place orders online using a PC or smartphone for some 2,800 products such as rice balls and boxed lunches handled by its stores and have them delivered to their homes or other designated location in as little as two hours. Trials were conducted at 100 stores in Sapporo City and other locations in July 2018. Going forward, there are plans to further expand this service, including the introduction of credit payment since March 2019.



Seven RakuRaku Delivery Provides Home Delivery of Products from Stores

SEJ offers the Seven RakuRaku Delivery service, which provides home delivery for nearly every product sold in its stores. Orders can be placed in advance by telephone or through other means. The service operates a fleet of some 820 "COMS" ultrasmall electric vehicles and SEJ is also moving forward with the introduction of around 2,200 power assisted bicycles (as of February 28, 2019).



Seven RakuRaku Delivery

The mobile store services Seven Anshin Delivery and Ito-Yokado Anshin Delivery

SEJ operates the Seven Anshin Delivery mobile store service at 83 stores in 34 prefectures (as of February 28, 2019). This service utilizes proprietary developed light trucks equipped with store facilities, which go to areas that are inconvenient for daily shopping and where many residents are seniors who have trouble securing means of transportation. Customers are able to purchase a range of foods and beverages, including frozen foods, using this service. Plans call for this service to be expanded further in the future to fulfill the needs of customers.

IY also uses its own specially developed trucks equipped with store facilities to provide the Ito-Yokado Anshin Delivery mobile store service at five stores in six regions: Nagano Prefecture's Ueda region, Sapporo City, Tama City, Hachioji City, Hanamaki City, and Iwaki City (as of February 28, 2019).



Seven Anshin Delivery



Ito-Yokado Anshin Delivery

Omni7

The Seven & i Holdings Group is working to realize an Omni7 where customers can order any of the Group's products and choose to pick them up from a local Group store or have them delivered to their homes, as well as return unwanted items. In addition to sales at stores, customers can also order products using their PC or smartphone.

In addition, with the expansion of the electronic commerce market and other factors, there is an increasing trend in the volume of parcel deliveries, and at the same time, manpower shortage in the transport industry is growing more severe. Seven Net Shopping offers the store pick-up service allowing ordered products to be picked up at nearby 7-Eleven stores. This contributes toward reducing the number of redeliveries and CO2 emitted during deliveries.



Shopping Support When Delivering Products

Material Issue 1 Providing Social Infrastructure for an Aging Society and Declining Population

Reducing Housework

Seven & i Holdings is developing and selling cooked meal products based on the concept of individual servings, small volume, and simplicity for those who find meals inconvenient or difficult, to respond to customer demand for saving time and reducing the hassle of housework.



Seven-Meal Delivery Service

SEJ provides a service for customers who feel inconvenienced by daily meal preparation and those who want to eat nutritionally balanced meals. Meals are ordered online or by telephone, and customers can choose to pick up the meals at a 7-Eleven store, or have them delivered to the customer's home or other specified location.

> [For more details about the Seven-Meal service](#)

Developing Products and Services that Make Meal Preparation Easy

One of the services offered by SEJ as a part of Seven-Meal is "Meal Kits," cooking kits for set menus that include a main dish and side dish along with recipes that can be fully prepared in about 20 minutes. The kits can be ordered starting from one meal for one person. The Meal Kits do not contain any preservatives or artificial colors in the main ingredients or condiments, and since the ingredients come pre-cut, cooking times are short. In addition, Ito-Yokado sells the Chef's RECIPE series, which can be easily prepared using a frying pan or microwave oven, at fresh meat and fish sales areas (Tokyo Metropolitan area, northern Kanto, and Shizuoka). The selection for cooking with a frying pan* offers meat and fish paying particular attention to quality, and cut and seasoned so as to be easy to eat. These meals can be easily cooked in a short time just by frying with a frying pan. They can also be expanded upon, such as frying them with different vegetables of your choice. In addition to adding vegetables and seasoning to fresh meat and fish, the selection for cooking with a microwave oven* allows meals to be enjoyed just by heating the meals, in their containers, with a microwave oven. Consideration is also given to the amount of vegetable intake, and a variety of Japanese, Western, and Chinese dishes are available.



A Meal Kit from Seven-Meal



Chef's RECIPE

Material Issue 1 Providing Social Infrastructure for an Aging Society and Declining Population

Expanding Services as a Form of Social Infrastructure

Seven & i Holdings works in collaboration with local governments to provide public services to alleviate inconvenience for those whose lifestyles are affected by the decrease in social infrastructure such as local government offices, banks, and retail stores.



Promoting Alliances with Municipalities through Comprehensive Alliance Agreements and Other Means

The Seven & i Group is promoting regional revitalization by concluding comprehensive alliance agreements with local governments in a wide range of fields, including local production for local consumption, senior support, health promotion, and environmental protection. Moreover, we are also moving ahead on concluding “guardian angel agreements” with local governments to look out for elderly people and so on during regular store operating hours, or through delivery services and collaborating with local governments to respond if irregularities are detected, as well as to promote employment of senior citizens, train cognitive impairment supporters, and take other measures.

In other developments, we have also concluded “supply-support agreements” to prepare for rapid regional support in the event of disasters, and we are also promoting “agreements for supporting people who cannot return home after a disaster” where we provide tap water, access to restrooms, and local information wherever possible.

Number of Agreements with Local Governments for Each Company

	As of February 28, 2018	As of February 28, 2019
Seven-Eleven Japan	91	140
Ito-Yokado	42	63
Sogo & Seibu	9	13
York-Benimaru	8	13
York Mart	2	4
Seven & i Food Systems	1	1
Total	153	234



Ceremony to mark conclusion of a comprehensive alliance agreement with Toyama Prefecture

> [For information regarding support during disasters, click here](#)

Support for Regional Revitalization in Cooperation with Local Governments

The Seven & i Group makes use of comprehensive alliance agreements to promote various regional revitalization initiatives with respective local governments. SEJ recognizes the importance of local flavors and food cultures by developing products that use local ingredients. IY, Sogo & Seibu, York- Benimaru, and other Group companies propose menus using local products and ingredients, helping to support regional revitalization by promoting the appeal of the local area.

In addition, at stores in Chiba Prefecture's Yachiyo City, York Mart organized the Yachipan Project, an event for producing and selling bread based on ideas from local high school students carried out as part of the initiatives with local governments.



"1/2 Day of Vegetables! Joshu Flour Okkirikomi" sold at 7-Eleven stores in the Nagano region



"Flavors of Aomori Presented by Students of Aomori Chuo Junior College ! Irodori Bento" sold at Ito Yokado stores in Aomori Prefecture



"Fukui Specialty Food Fair" held at the Seibu Fukui Store



"Yachipan Project" organized by York Mart in Chiba Prefecture's Yachiyo City

Government Services (Issuance of Various Certificates)

7-Eleven stores offer a service for issuing copies of residence certificates and seal registration certificates using in-store multifunctional copier machines. Agreements for this service are in place with 587 municipalities (as of February 28, 2019). This service is currently being expanded, as family register certificates can now be issued for 430 municipalities and tax certificates for 432. (Individual Number Cards are required to use the service) This service for Individual Number Card holders is easily operable and can be used even late at night and on holidays, simply by waving the Individual Number Card over a scanner. Private information is given high security protection by a sophisticated dedicated network and special printing prevents forgery and manipulation.

Insurance Enrollment and Premium Payment Service

7-Eleven stores became the first in the industry to offer motorcycle and bicycle insurance enrollment and insurance premium payment services where customers can enroll in insurance 24 hours a day by entering the necessary personal information on the multi-functional copier machine screen in store and paying their premium at the register. (The service is for motor scooters and motorcycles with an engine displacement of 250 cc or less, which do not require a motor vehicle inspection.) "1 DAY Insurance" providing automotive insurance coverage in one-day increments has been available at all 7-Eleven stores since September 2015, and "1 DAY Leisure Insurance" that provides necessary accident coverage when needed has been available since April 2018.



Multifunctional copier machines can copy print, issue various types of certificates, and even issue insurance policies.

Bicycle Sharing

SEJ has started using bicycle parking spaces on store grounds as sites for renting and returning shared bicycles. The areas will be expanded in stages, and SEJ has placed some 3,300 bicycles at 600 stores in the Tokyo Metropolitan region and regional cities during FY2018. This program was launched at Ito-Yokado in June 2018, and Denny's restaurants in September 2018.

Bicycle sharing allows for bicycles to be rented from any of multiple stations within a certain region. After use, a bicycle need not be returned to the original location and can be returned to the station closest to the user's destination. Bicycle sharing is expected to supplement public transportation in areas that lack adequate transportation and will play an important role as infrastructure.



A store with a bicycle sharing site

Establishment of Polling Stations in Stores

IY and Sogo & Seibu provide facilities within stores to be used free of charge for use as polling booths in cooperation with local governments to provide voters with easily accessible polling booths that are handy to shopping facilities. Local governments seek to increase the voting rate due to the reduction in number of polling booths and decline in voting rate due to the merger of municipalities, in addition to the enactment of the revised Public Offices Election Act, which lowered the voting age to 18. The booths are used to provide easy access to voters while they are shopping. During the fiscal year ended February 28, 2018, polling booths were set up in 26 Ito-Yokado stores and four Sogo & Seibu stores, and election promotion activities were conducted in the stores, such as displaying posters, in-store announcements and printing the election date on receipts.



A polling booth set up in an Ito-Yokado store

Material Issue 1 Providing Social Infrastructure for an Aging Society and Declining Population

Providing Services to a Wide Range of Customers

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



Training Cognitive Impairment Supporters

The Seven & i Group supports the creation of neighborhoods where local residents who suffer from cognitive impairment and their families can live with security. To this end, we are encouraging our employees to attend cognitive impairment supporter training courses.

Each Group company holds training courses, and the number of supporters across the 26 Group companies as of February, 2019 is 34,110 in total. We will continue to strengthen our efforts to develop cognitive impairment supporters.

* 26 Group companies will be targeted in this initiative (accounting for 90 of Group sales in Japan).

Number of Cognitive Impairment Supporter Training Course Takers

	FY2015	FY2016	FY2017	FY2018	FY2019 (Target)
Total	16,554	24,029	29,623	34,110	40,000



Cognitive impairment supporter training

Marketing Products That Support Senior Lifestyles

Ito-Yokado is developing the Anshin Support Shop at 105 stores, which carries a full lineup of apparel, daily essentials, and foods, including products that support the health and lifestyles of seniors and care products (as of February 28, 2018). Sales are conducted by sales staff with specialized qualifications who are also able to deal with consultations regarding nursing care and welfare issues in general. The company is working to develop products in response to customer opinions and comments and created a pushcart for seniors, known as the “Silver Car,” that can easily be pushed over uneven surfaces and has been well received by customers.

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



Anshin Support Shop



The Silver Car pushcart for seniors that can be pushed over uneven surfaces

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

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

Services for Foreign Travelers

The Seven & i Group launched tax-free services at certain stores within every Group company in 2014, after the range of consumption tax-exempt items for foreign visitors was expanded to cover all items.

Moreover, Seven Bank ATMs offer cash withdrawal services on overseas-issued cards, while stores also offer free in-store Wi-Fi services Seven Spot in response to strong demand from overseas travelers.



Tax-free service section

Disseminating Information to Support Everyday Living for Foreigners

Seven Bank provides an overseas remittance app available in nine languages for customers who make use of overseas remittance services. In 2016, we started concluding agreements for promoting multicultural coexistence with local governments in areas with high concentrations of foreign residents. The agreements are mainly intended to disseminate local information through the app. Information about living in these areas, disaster information, and so forth is disseminated in multiple languages through the app to residents, providing support for customers so that they can live safely and conveniently in Japan. As of March 31, 2019, we have concluded agreements with 11 local government organizations, and we plan to continue expanding this initiative.

ATMs That Diverse Customers Can Operate Easily

Seven Bank is making daily progress on the ATM functions and services so that all customers can use them with confidence. With the voice guidance service, which is mainly for customers with visual disabilities, users can make a transaction by following voice guidance delivered through an intercom phone installed on the ATM to operate the buttons on the phone. Customers with the cash cards of around 540 affiliated partner financial institutions* can also use this service. This voice guidance system was developed after soliciting feedback from people with visual disabilities and testing its operability. Furthermore, ATMs in 7-Eleven stores now feature cane and drink holders to make them easy for anyone to use.

* Banks, credit unions, credit cooperatives, labor banks, JA banks, JF Marine banks, and securities companies that are partners with Seven Bank. This service is not offered for insurance companies or credit card companies, even if they are a partner of Seven Bank.

* Banks, credit unions, credit cooperatives, labor banks, JA banks, JF Marine banks, and securities companies that are partners with Seven Bank. This service is not offered for insurance companies or credit card companies, even if they are a partner of Seven Bank.



Voice guidance service



ATM with cane and drink holder installed

Material Issue 2 Providing Safety and Reliability through Products and Stores

Approach to Material Issues

The Seven & i Group handles about 3 million product items at its stores at each company, and also develops a variety of private brand products. Because of this, we place the utmost importance on ensuring the quality of our products, including their safety and reliability. We also recognize the material issue of our role as a social infrastructure that can be used with peace of mind, even in emergencies such as natural disasters.

Relevant policy

[> Quality Policy](#)

Background to Material Issues

Food Safety

With the globalization of food and the occurrence in recent years of incidents and accidents that threaten food safety and security food, there is a growing interest in food safety, including the issues of controlling raw materials, food additives, and residual agrichemicals. In particular, answers to a survey by the Cabinet Office showed that about 70% of people feel uneasy about food safety and want companies to be required to further strengthen their quality control systems.



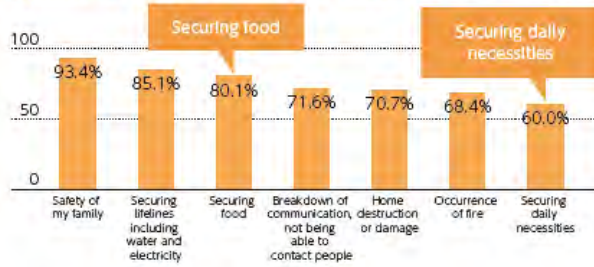
Source: Results of the report entitled Awareness About Food Safety (2015)
Consumer Affairs Agency

Frequent Natural Disasters

In recent years, floods and landslides due to heavy rain occur frequently, driven by climate change and other factors. Also, many natural disasters such as large-scale earthquakes continue to occur in connection with the location of the Japanese archipelago.

In Japan, especially, where many people suffer due to natural disasters, social infrastructure, such as the provision of the goods and services necessary for daily life, plays an important role when a large-scale disaster occurs. The Company is expected to ensure business continuity to provide a safe and secure base.

What are your worries about when an earthquake occurs? (Multiple answers allowed)



Source: "Questionnaire on Disasters" (August 2011), Meiji Yasuda Life Insurance Company

Promotional Framework for Material Issues

In response to this material issue, the CSR Management Committee, led by the president, and its subordinate Consumer Affairs and Fair Business Practices Subcommittee, work together with the Group companies and related departments to provide safety and reliability through products and stores. The Group is also working to ensure information security under the Group Information Management Committee. These activities are supervised by the Seven and i Holdings Director Executive Officer Head of Corporate Communication Division.

Contribution to SDGs

By tackling this priority issue, Seven & i Group will provide living bases that ensure people's safety and security in the event of natural disasters due to climate change, and will contribute to achieving Sustainable Development Goals 2, 3, 9, 11 and 13.



Seven & i Holdings' Initiatives

Building a Quality Control System

We are working to adopt international management system standards and management techniques concerning quality and hygiene in order to provide safe and reliable products to customers.

[> More](#)

Food Traceability

We proactively disclose product traceability information (distribution history) in all processes from the procurement of raw materials to sales.

[> More](#)

Consideration to Health

In light of customers' increasing health consciousness, we are working to reduce the use of food additives and provide nutritionally well balanced food.

[> More](#)

Communication with Customers

We have set up a "customer consultation desk" at each Group company to obtain opinions, requests, and other feedback from customers and respond promptly, in order to improve products and services from the standpoint of customers.

[> More](#)

Information Security and Personal Information Protection

We are implementing information security measures based on the belief that appropriately securing and managing the safety of information assets handled by the Seven & i Group is a vital responsibility.

[> More](#)

Appropriate Disclosure of Information on Products and Services

We strive to label products accurately and clearly in order to provide an appropriate selection of product and service options for customers, while taking care to avoid any misleading labeling.

[> More](#)

Implementing Crime Prevention Measures for Local Communities

We cooperate with community crime prevention efforts in order to ensure that customers can visit and shop at our stores safely and reliably.

[> More](#)

Disaster Assistance

We endeavor to reopen stores promptly and keep stores open in the event of a disaster to fulfill our mission as a lifeline for communities.

[> More](#)

Disaster Reconstruction Support

Leveraging our strengths as a retailer, we are proactively procuring goods from business partners in the afflicted areas and selling them to customers across Japan.

[> More](#)

Material Issue 2 Providing Safety and Reliability through Products and Stores

Building Quality Control Systems

Seven & i Holdings is working to introduce international management system standards and management methods regarding quality and hygiene in order to provide safe and reliable products to customers.



Establishing a Foundation for Quality Control in Each Group Company

Seven & i Holdings is working to establish quality control systems, recognizing that a product incident at one Group company affects the entire Group. Product control officers at the development division for the Seven Premium private brand, 12 Group companies that handle food products and 10 that handle apparel and household items meet regularly to share their policies and information. These activities are designed to prevent incidents and strengthen the Group's ability to respond rapidly when incidents occur. Specifically, Group companies are working to establish the following foundation for quality control.

Establishing a Foundation for Quality Control

1. A system with a dedicated department that can respond to incidents objectively.
2. A system for reporting major incidents quickly to the top management.
3. Guidelines for judging whether to recall products or continue sales if a serious incident occurs.

Adoption of the NDF-HACCP Certification System

SEJ has adopted the HACCP*1 (Hazard Analysis and Critical Control Point) method since 1997 as a method to manage food hygiene aimed at improving the level of quality management during food production. Nihon Delica Foods Association (NDF)*2 has developed its own NDF-HACCP Certification System for labor-intensive industries producing small lots of many varieties, and we have obtained this certification for all our plants. Furthermore, this was changed to the NDF-FSMS*3 Certification System since October 2018 so as to respond to the institutionalization of the HACCP international standard, and we are working toward obtaining certification for all plants in 2020. (As of February 28, 2019, certification has been obtained for 40% of our plants.)

In addition, we also hold study sessions on food allergies to deepen understanding of allergy onset mechanisms and symptoms together with our business partners and to promote the creation of food allergy management systems.

*1 HACCP: A process management system that analyzes hazards at each step of production, from ingredient acceptance through to product finalization, and provides continuous monitoring and recording of critically important hazard prevention processes.

*2 Nihon Delica Foods Association (NDF): The NDF was formed in 1979 to improve hygiene quality management levels at daily food manufacturing facilities and to eliminate region-based quality differences.

*3 FSMS: Food Safety Management System, a mechanism for the proper management of hazards that threaten food safety so as to deliver safe and secure foodstuffs to consumers.

[> For more details about SEJ initiatives \(in Japanese\)](#) 



Acquisition of JGAP Certification

For our private brands Fruits and Vegetables with Traceability at Ito-Yokado, we are working to acquire the Japan Good Agricultural Practice (JGAP) certification, an agricultural production process management technique, in order to further improve the level of our quality management. JGAP sets standards that should be implemented in day-to-day agricultural management to improve safety and protect the environment. Certification has been acquired by 133 producers as of February 28, 2019, and efforts will be made for further certification going forward.

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

Acquisition of ISO 22000 Certification

York-Benimaru Co., Ltd. acquired certification under ISO 22000, an international food safety management system, at its Otsuki Store in Koriyama City, Fukushima Prefecture.

Going forward, York-Benimaru will use the experience of acquiring ISO 22000 certification to introduce HACCP systems at all stores while training store employees. The company will also work to provide greater safety and confidence to customers regarding food products and enhance product quality in all stages from procurement to sale.



Hygiene Management Based on ISO 9001

At Seven & i Food Systems, the QC Office that serves as the hygiene management division has acquired the ISO 9001 international standard concerning quality management (application scope consisting of food hygiene management system standards and provision at stores). Utilizing this system, efforts are made to improve hygiene management at stores and educate employees.

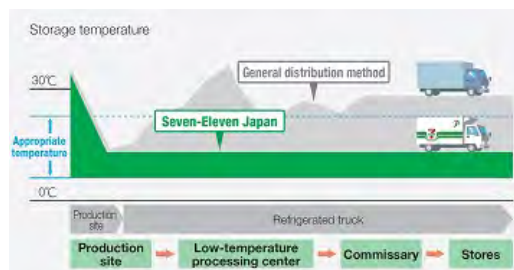
In hygiene management, priority is placed on freshness management that is easy to understand and can be performed by anyone. The QC Office conducts checks at stores, and random checks of store hygiene are also conducted by a third-party hygiene inspection organization (wipe inspections). Store employees undergo periodic hygiene management training to raise hygiene management levels.

[> For more details about Seven & i Foods Systems initiatives \(in Japanese\)](#)



Introduction of Cold Chains

Various leafy vegetables are used in 7-Eleven's original daily foods (rice balls, sandwiches, stuffed bread, salads, delicatessen items, noodles, and so on). We began introducing cold chains (low-temperature distribution networks) in 2005 for low temperature transportation and processing in order to maintain high levels of freshness of produce from harvesting in the field to delivery to stores. Harvested vegetables are consistently maintained at low temperature in delivery vehicles, at sorting centers and processing factories, and until placement on store shelves. In addition, the active use of domestic produce in regions close to where it was harvested reduces energy use in transportation.



Cold chains (low-temperature distribution networks)

Inspection for Radioactive Substances

In response to an increase in inquiries since the Great East Japan Earthquake, the Seven & i Holdings Group voluntarily conducts inspections to complement the monitoring of radioactive materials that was carried out by the government, and we have posted details on our website.

The Radioactivity Project was established as an internal organization at YB to enable customers to shop with confidence by complementing the monitoring on radioactive substances implemented by the government. We install equipment for measuring radioactive substances at key points within the area where we have established stores, and an internal organization conducts regular inspections. The inspection results are announced on the company's website. For the case of our private brand Three-Star Fruit and Vegetables, we endeavor to sell products that meet the criteria by having buyers visit production sites and conduct soil inspections and independent inspections on samples.

Inspections for radioactive substances are also conducted for IY's Foods with Traceability and the results are published on the company's website.

[> For more details about IY initiatives \(in Japanese\) !\[\]\(e1d6102fe77919492c04879c8450f1f5_img.jpg\)](#)

[> For results of the inspections at York-Benimaru \(in Japanese\) !\[\]\(73002692dd5e7a64e60946be3158e719_img.jpg\)](#)

Material Issue 2 Providing Safety and Reliability through Products and Stores

Food Traceability

The Seven & i Group proactively discloses traceability of products as an initiative to emphasize the safety and reliability of its products at all stages from raw materials procurement through to sales.

“Fresh Foods with Traceability” and “Products with Visible Production Areas” Initiatives

IY sells products under its private brand Fresh Foods with Traceability, where we achieve an accurate understanding of production sites, production methods, and distribution channels and communicate these to customers. For these products, our procurement officers check with producers at the production sites to ensure that they are using appropriate cultivation and stock-raising management. Before the products are sold, various tests are conducted, including agricultural chemical residue tests, as well as soil, feed, and water quality tests, and third-party confirmation is obtained. Furthermore, radioactive substances are also inspected under stringent standards that are stricter than the statutory standards.

Customers can confirm producer and inspection-results information for Fresh Foods with Traceability products on the IY website using a PC or smartphone. As of February 28, 2019, 238 items are handled under the Fresh Foods with Traceability brand, covering all fresh foods including vegetables, fruits, meat, eggs, and fish. Also, York-Benimaru has established a section called “York-Benimaru Products with Visible Production Areas” on its website, providing information on the production site, characteristics, production process, producers, and other aspects of the fresh food that the company has carefully selected. As of February 28, 2019, we are handling about 30 product items under this system.

> [For more details about IY initiatives \(in Japanese\)](#) 

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

Producer Information Disclosure Methods (Example from IY)



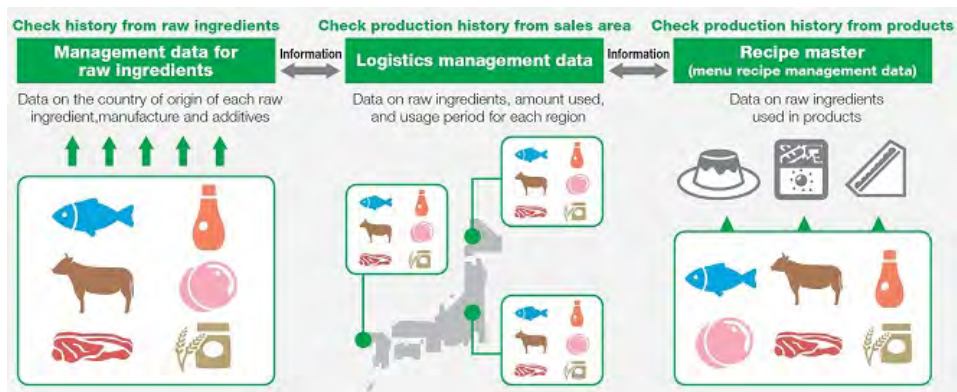
Centralized Management of Production Records

SEJ uses an average of 40 different food materials (including seasonings) per daily food product item, which includes rice and delicatessen items. To manage these individual products and correctly grasp which production facilities produced them and which materials have been used in which regions, SEJ manages information from all its approximately 160 dedicated plants using a database system and links this to the point-of-sale data at its stores to precisely manage the production history of its products, from the production region of the materials used to the stores where the products are sold. This enables any problems that arise in connection with food materials, for example, to be addressed immediately. Further, to make absolutely sure about the products it sells, SEJ also verifies whether products contain any additives or allergens.

In addition, SEJ is also able to precisely track the volume of food materials, packaging, and containers used at every plant, which helps it reduce waste by limiting excess production, for instance. Moreover, the company voluntarily conducts DNA testing on rice to prevent the admixture of other varieties as well as testing for radioactive substances.

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

SEJ's Raw Material Production Record Management Framework



Material Issue 2 Providing Safety and Reliability through Products and Stores

Consideration for Health

Amid increasing public interest in health and nutrition, including the problems of obesity, diabetes, metabolic syndrome and nutritional deficiencies, Seven & i Holdings is responding to a stronger health orientation among customers by working to reduce the use of food additives and provide food products with a good balance of nutrients.



Reducing the Use of Food Additives

Seven & i Holdings is taking steps to reduce the use of additives in food products as a step towards providing health conscious products. For example, 7-Eleven's original daily foods, numbering around 2,000 items including rice balls and boxed lunches, and IY's delicatessen items, boxed lunches, and sushi produced in-store are all free from synthetic coloring agents and preservatives.

Furthermore, SEJ is continuing its own initiatives with food manufacturers to reduce trans fatty acid, which is said to increase the risk of heart disease. Based on the Guidelines on Trans Fatty Acid Labeling issued by the Consumer Affairs Agency, SEJ discloses information on its website on levels of saturated fatty acid, trans fatty acid, and cholesterol contained in its main food products.



Reduction of Trans Fatty Acids

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

2005	2007	2012	2019
1.86g	0.18g	0.15g	0.11g

> [For more details about SEJ initiatives \(in Japanese\)](#)

Products Paying Particular Attention to Safety, Reliability, and Health

SEJ adopted “Good Health Starts with this Hand” as a new catchphrase and expanded the roll-out at 7-Eleven stores nationwide of products that pay particular attention to safety, reliability, and health starting in March 2018. In response to rising demand for healthy foods, the “Good Health Starts with this Hand” logo is placed on products that contain dietary fiber roughly equal to that in a serving of lettuce and contain at least one-half of the daily requirement of vegetables,* and stronger appeals of these products are being made to customers. SEJ plans to expand product categories and lineups in the future.

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



“Good Health Starts with this Hand” logo



Products of the “Good Health Starts with this Hand” series

Development of Health Food Products through the Supply Chain

Seven & i Holdings manufactures its Seven Premium private-brand products using an integrated system from raw material procurement through to product development and quality control.

In development of Seven Premium products, the optimal supplier and Group product development division form a team for the product, and specialists from both sides contribute their information and expertise in a process called “team merchandizing.” The teams include suppliers who have nutrition and health experts or R&D centers of their own. We have established seven key points for development of Seven Premium products. One of them is “health conscious,” and accordingly, we are developing products that support healthy lifestyles for our customers.

Seven Premium Points of Seven Premium

1. Safe and reliable	Manufactured in hygienic factories using rigorously selected materials.
2. Delicious	Tastes that will appeal to everyone.
3. Regional flavors	The taste of home cannot be beaten.
4. Cutting-edge technologies	Jointly developed with manufacturers using the latest technologies.
5. Universally designed	Labels and designs that are easy to read and understand.
6. Health conscious	Calorie counts are printed on the front of the products.
7. Reasonably priced	Provided at reasonable everyday prices.

List of Health Food Products



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

Labeling of Nutritional Components and Allergy Information

Seven and i Holdings strives to provide proper labeling of nutritional components for its private brand Seven Premium. In addition to displaying nutritional components* such as energy, protein, fat, carbohydrates, and salt equivalents, for certain products we also display components such as saturated fatty acids, trans fatty acid, and cholesterol. Calorie counts are printed on the front of most products to make it easier for customers to find when selecting a product.

The Seven & i Group strives to provide customers with clear product labelling so that people with allergies are also able to select products with confidence. Both products purchased from suppliers and products prepared in-store are labeled for allergen content, and the labels list allergens mandated under the Food Sanitation Act as well as items that are recommended for labeling.

For example, information on use of specified ingredients and equivalent items in products prepared in-store at 7-Eleven (hot snacks, oden, Chinese steamed buns) and in menu items at Denny's restaurants is provided on our website. In addition, we revised Denny's restaurant menus in September 2018 to provide allergy information (use of seven specified ingredients and 20 equivalent items) in all menu books used in each time slot. Furthermore, in addition to posting information on our website, in July 2017 we placed tablets in all restaurants so customers can conduct searches regarding allergens (specified ingredients and equivalent items) in each menu item. These tablets are easy to use and enable customers to check detailed information when ordering.

* Excluding certain items for discretionary labeling that have small surface area.



Nutritional content: Per slice	
Energy:	170 kcal
Protein:	5.9 g
Fat:	2.7 g
Saturated fatty acids:	0.7 g
– Trans fatty acids:	0 g
– Cholesterol:	0 mg
Carbohydrates:	30.5 g
Sodium chloride equivalent:	0.9 g

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

Nutritional labeling for "Seven Premium Seven Bread (Six slices)"

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

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

Sales of Products with Food Allergy Considerations

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

[> For more details about IY’s initiatives \(in Japanese\)](#) 



A Healthy Fruitcake

At the Denny’s restaurant chain managed by Seven & i Food Systems, there is a low-allergen menu and low-allergen cake for children that do not include any of the seven specified allergens (eggs, milk, wheat, buckwheat, peanuts, shrimp, and crab), created out of consideration for children who have food allergies. When the meals are prepared at the restaurants, employees cook and arrange the food in an area separate from the regular cooking line, and the tableware is individually washed and stored to prevent secondary contamination by allergens.

Denny’s restaurants have introduced tablets that customer can use to search information on the use of designated ingredients and equivalent items, and all menus used in each time slot contain information on the use of allergens (seven specified ingredients and 20 equivalent items).

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



Low allergen menu



Low-allergen cake

Regarding Handling of Genetically Modified Foodstuff

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

[> Disaster Reconstruction Support](#)

Material Issue 2 Providing Safety and Reliability through Products and Stores

Communication with Customers

The Seven & i Group quickly responds to comments and requests provided by email or phone through customer consultation desks set up at each Group company in order to improve products and services from the customer's perspective. Given the need to protect privacy in connection with feedback received from customers, all personal information is deleted, and the feedback is then categorized by content and communicated to departments and stores for use in making improvements.

- > [Information on customer feedback at 7-Eleven stores can be found here \(in Japanese\)](#) 
- > [Information on customer feedback at IY stores can be found here \(in Japanese\)](#) 

Enhancing Customer Service Quality

Seven & i Holdings holds a monthly information and liaison meeting of the Seven & i Group's customer consultation desks, which is attended by customer service desk supervisors at each Group company, in order to reduce the factors that cause customer dissatisfaction and raise satisfaction levels throughout the Group, not just at individual Group companies. Measures taken in response to comments and requests received from customers are shared on a regular basis and the information is incorporated into products and services. Annual training is also held for customer consultation desk personnel at each Group company with a view to further refining customer service skills.



Customer consultation desk personnel training

Collecting Customer Feedback

Seven & i Holdings collects feedback from customers who visit its stores on customer service, sales floor setup, product lineups, and other aspects of operations in order to further improve its products and services.

For example, at SEJ, a questionnaire is conducted every two years of 10,000 people to ascertain the needs of customers nationwide. In addition, at IY, store surveys are contracted to external agencies certified as consumer affairs advisors to collect feedback from store customers. Based on the results of the surveys, Group companies work to develop products that incorporate the evaluations and opinions of customers.

Product Development Using a Website

For its Seven Premium private-brand products, the Group launched "Seven Premium Enhancement Committee"—a website community for product development that invites participation by customers in 2009. The website features users' evaluations of individual products and original recipes using Seven Premium products. We also use the website to call for participants in product monitor surveys. The information gathered from the website enables us to analyze the ways and scenarios in which customers use our products, and is reflected in product development.

- > [For more details about Seven Premium Life Enhancement Committee \(in Japanese\)](#) 

Material Issue 2 Providing Safety and Reliability through Products and Stores

Information Security and Personal Information Protection

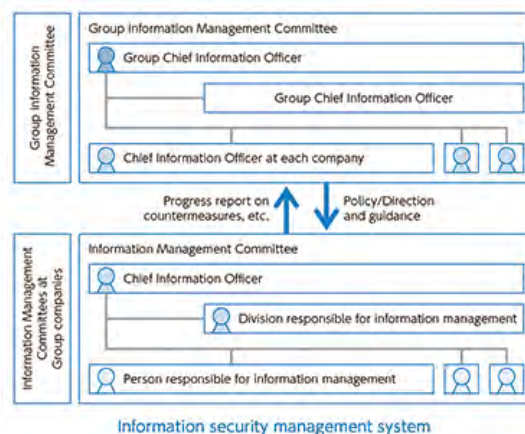
Seven & i Holdings positions the appropriate protection and security of information assets handled by the Group as an important priority and social responsibility of its management and operations and as mandatory for all executives and employees. We strictly manage personal information received from customers in particular and take special care to prevent information leaks and other such incidents.

Development of Information Security Management System

Seven & i Holdings anticipates that points of contact with customers will further increase through our Omni-Channel Strategy. In light of this, just as with food safety, initiatives to ensure the safety and security of information assets themselves constitute the foundation that will support the strategy. Seven & i Holdings has established the Basic Policy on Information Security and Basic Policy on Protection of Personal Information to promote the appropriate protection and use of customer information (personal information) acquired through Omni-Channel initiatives and further promote safe and secure business operations, and we have obtained ISMS certification (ISO 27001) for information security management systems. Through the implementation of a PDCA cycle for our ISMS we continue to develop a high-level information security system. We have also acquired the PCIDSS certification, which is a global security standard, in our Omni-Channel system. Our goal in this is to ensure the safe handling of particularly credit card information, business partners' information, and business partners.

Information security is also regarded as an important risk, and we have established the Information Management Committee to analyze, assess, and address this risk. We develop our management systems based on these activities. Specifically, we are working to strengthen our information management and security by establishing information security standards to be achieved by the Group and conducting development in accordance with the PDCA cycle method prescribed by ISMS certification at Group companies.

- > [More details about our Basic Policy on Information Security can be found here](#)
- > [More details about our Basic Policy on Personal Information Protection can be found here](#)
- > [Further information about bases that have acquired ISMS certification and about PCIDSS certification acquisition can be found here \(in Japanese\)](#)



Information security management system

Employee Training to Raise Awareness of Information Security and Cyber Security

Seven & i Holdings conducted information security training through e-learning and group training programs for all executives and employees of the Group companies in order to raise employee awareness of information security and cyber security. The fiscal year ended February 29, 2016 training was on the theme of internal fraud, and in the fiscal year ended February 28, 2017 it was focused on targeted cyberattacks. We also provide educational tools for use in morning meetings and departmental meetings to encourage education within departments. All employees at hiring and retirement sign a confidentiality pledge, which also raises awareness of information security.

In employee training through daily operations and regular meetings, all employees are told to promptly report, communicate, and consult about any problems that occur to the person responsible for information management of the respective division, and in e-learning and group training as well, employees are trained to immediately report suspicious occurrences. Reporting lines to upper management have been established depending on the severity of the occurrence. We have also created Reporting Guidelines for Significant Events, and when a significant event occurs that could potentially impact the entire Group, there is an internal reporting line depending on the severity level for reporting to upper management at the Group company where it occurred. There is also a reporting line for reporting the incident to the Information Management & Security Department and upper management of Seven & i Holdings. In creating these two reporting lines, we strive to ensure the accuracy of information conveyed and the promptness of our response.

Cyberattack Measures

Seven & i Holdings has established the 7&i Computer Security Incident Response Team (7&i CSIRT) to respond to external cyberattacks and minimize their impact and potential damage, particularly from a technical standpoint. The team conducts quick and appropriate containment and other measures in response to information security incidents in an organized manner.

In addition, when an information security incident is judged to be a major incident by the 7&i CSIRT (based on the extent of damage, etc.), a response system has been built for mobilizing the 7&i Security Incident Response Team (7&i SIRT) and to deciding on and carry out emergency response measures, standard response measures for system recovery, and externally directed actions, in particular, such how the incident is to be disclosed.

Material Issue 2 Providing Safety and Reliability through Products and Stores

Appropriate Disclosure of Information on Products and Services

Seven & i Holdings Corporate Action Guidelines stipulate that “We seek to display information that is accurate, easy to understand, and truthful so that customers can make an appropriate selection of products and services.” Moreover, each Group company will check the following information and strive to transmit this information to customers.

- Provide beneficial information to customers, taking the customer’s perspective, even if the information is negative from the Company’s perspective. (For example: Consumption of this produce may be hazardous for health, etc.)
- For information such as images and recordings distributed as commercials and advertisements, we will use appropriate expressions for the audience.
- We will provide information that meets or exceeds the legally mandatory level with regard to health, environment, and other sustainability aspects.

Establishment of Management System for Information Provided to Customers

The Seven & i Group verifies in advance that product and price information listed in advertising media, including newspaper inserts, pamphlets, and television commercials, is accurate and that they contain no information that might mislead customers.

For example, IY requires that prior approval be obtained from its Fair Trade Committee Office when listing dual prices with the sales price and a comparison price, or discounts, in newspaper inserts and other media.

Employee Training on Product Labeling

Seven & i Holdings conducts regular, group training twice a year based on laws governing labeling such as the Act against Unjustifiable Premiums and Food Labeling Act for newly assigned purchasing personnel at Group companies to provide basic knowledge on improper labeling and excessive gifts or giveaways prohibited under laws and regulations. In the fiscal year ended February 28, 2019, 166 employees at 15 companies underwent this training. In addition, e-learning is conducted for Group personnel involved in procurement.

In the fiscal year ended February 28, 2019, 11,985 employees from 23 companies underwent this training.



Group training on labeling

Prevention of Improper Labeling

Seven & i Holdings has established the “Group Discretionary Guideline on Imprecise Labeling,” on product labeling for the Group to prevent the use of expressions that could mislead customers. The guideline is thoroughly taught to and implemented by product development and quality control staff at each Group company. For example, the expression “permanent” is not used in principle as it is difficult to rationally present the permanent efficacy of a product in the future.

Material Issue 2 Providing Safety and Reliability through Products and Stores

Implementing Crime Prevention Measures for Local Communities

Seven & i Holdings cooperates in local crime prevention initiatives in line with the operational characteristics of each Group company to ensure that customers can use its facilities safely and with confidence.

Safety Station Activities

7-Eleven stores take advantage of the fact that they stay open 24 hours a day every day of the year to conduct Safety Station activities (SS activities). These involve looking out for the safety and security of the community through such activities as providing a place for women and children to seek assistance, protecting seniors, preventing robberies, shoplifting, and designated fraud, responding to accidents and disasters, and helping in the case of a sudden illness. 7-Eleven stores work to promote a healthier environment for young people by not selling alcohol and tobacco products to minors (those under the age of 20 years), for example, and SEJ also provides information to raise awareness of compliance and crime prevention at franchised stores through "SS Activity Notices" issued monthly.



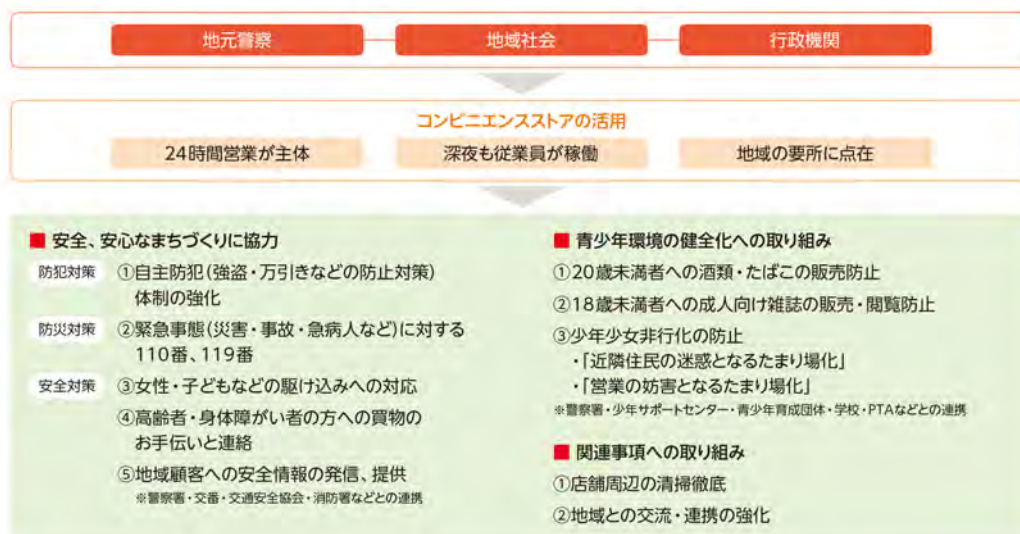
Activities are publicized using posters



Preventing the sale of alcohol and tobacco to those less than 20 years old



An SS Activity Notice



> [The "SS Space" on the Japan Franchise Association \(JFA\) website](#)

Material Issue 2 Providing Safety and Reliability through Products and Stores

Disaster Assistance

Seven & i Holdings strives to quickly reopen its establishments and keep them in operation even during disasters as a part of its mission to preserve community lifelines and fulfill its role as social infrastructure when disasters occur.



Swift Regional Relief Activities in Disasters and Local Awareness-Raising

The Seven & i Group stores strive to preserve community lifelines during disasters by working quickly to resume and continue operations, as well as providing swift regional relief during disasters along with tap water, restroom facilities, disaster information, and other necessities. Head Office also provided support for stores in the form of product supplies and special assistance for staff members. In preparation for a wide range of situations, we work with the community to fulfill our role as important social infrastructure for daily living.

In addition, Seven & i Group companies have been promoting the conclusion of agreements on assistance with relief provisions and support for evacuees during disasters with local governments, under which they provide material assistance in line with requests from local governments during disasters. All Group stores conduct fundraising activities to assist people affected by disasters and have launched free Wi-Fi service Seven Spot. In July 2017, three Group companies—Seven & i Holdings, SEJ, and IY—were designated as public institutions under the Basic Act on Disaster Control Measures.

As daily initiatives, the stores feature disaster preparedness sections and hold disaster preparedness events and so forth in a bid to raise customer awareness of disasters.

Cooperation with Local Government During Disasters

SEJ and Denny's, which is managed by Seven & i Food Systems, have registered stores and restaurants in prefectures with which agreements have been executed as Disaster Support Stations. In the event of a large-scale disaster, these sites will provide tap water, restroom facilities, and information to the extent possible to persons who are unable to return to their homes.



A Disaster Support Station sticker

Providing Means of Communication in Emergencies

Seven & i Holdings allows its free Wi-Fi service Seven Spot, located at approximately 20,000 Seven & i Group stores nationwide, to be used on a special basis during emergencies even by people who have not registered as members so that they can confirm the safety of friends and relatives and serve as a line of communication for those who are unable to return home. SEJ has also set up emergency phones that can be used free of charge (special public phones for use during disasters) at a portion of its stores within Tokyo's 23 wards.



Emergency telephone



Free In-Store Wi-Fi Service Seven Spot

7VIEW: Seven Visual Information Emergency Web

Seven & i Holdings compiles a range of information within the Group but we have also joined with business partners to develop the 7VIEW*1 system for providing, sharing, and utilizing disaster information more broadly. The system automatically combines various information sources from external organizations such as the Japan Meteorological Agency and L-Alert*2, as well as Group companies, and layers them onto a map to enable a swift and accurate grasp of disaster conditions without placing a burden on disaster areas. We are continuing to develop the system by forming links between companies, as well as with the national and local governments and public research institutions, to help reestablish supply chains as quickly as possible.



7VIEW Screen

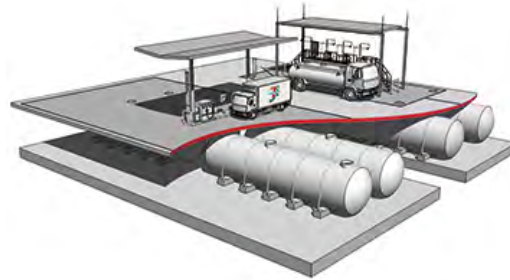
*1. Visual Information Emergency Web

*2. Disaster Information Sharing System

Fuel Depot for Delivery of Emergency Provisions

One of the important priorities of Seven & i Holdings in the area of business continuity in emergencies is maintaining fuel supply networks in the event of a major disaster. We have established a fuel depot at IY's distribution center in Saitama Prefecture that can be used by product delivery trucks to transport emergency provisions, a first for a Japanese retailer.

The depot maintains a permanent supply of 400 kiloliters of fuel, and when a disaster occurs it can be used to deliver emergency provisions and products for up to ten days to evacuation centers in affected regions and elsewhere and to Group stores and establishments in the Tokyo metropolitan area.



Fuel for vehicles is stored in underground tanks

Material Issue 2 Providing Safety and Reliability through Products and Stores

Disaster Reconstruction Support

The Great East Japan Earthquake of March 2011 inflicted enormous damage on Tohoku and surrounding regions. The Seven & i Group helps to support the reconstruction by working with employee volunteers and NPOs to conduct a variety of activities, including product sales, while leveraging its position as a retailer to connect consumers with producers.

Tohoku Kakehashi Project

The Seven & i Group has held the Tohoku Kakehashi Project in support of the reconstruction. Our goal is to serve as a bridge connecting the people of Tohoku with people around the country in their desire to support the reconstruction with the cooperation of Fukushima, Miyagi, Iwate, and other Tohoku Prefectures and various government agencies. There were 270 sponsor and participant companies and approximately 2,300 items, making the project over 10 times larger than when it first started.

Procuring local products from disaster-affected regions helps revitalize the agriculture and fishing industries. In addition, to keep affected regions fresh in the minds of people living outside of them, we purchase products from affected partner companies in Tohoku and the products of major food manufacturers produced in the region. We also hold sales events at approximately 400 stores in total, including IY and York-Benimaru.

Tohoku Kakehashi Project

	Launch	No. of co-sponsors and participating companies	No. of products
1st Round	November 7, 2011	22 Companies	Approx. 200
2nd Round	March 5, 2012	58 Companies	Approx. 600
3rd Round	July 17, 2012	81 Companies	Approx. 800
4th Round	November 19, 2012	109 Companies	Approx. 1,000
5th Round	March 4, 2013	123 Companies	Approx. 1,200
6th Round	July 9, 2013	160 Companies	Approx. 1,300
7th Round	October 9, 2013	188 Companies	Approx. 1,400
8th Round	March 4, 2014	219 Companies	Approx. 1,500
9th Round	July 14, 2014	239 Companies	Approx. 1,710
10th Round	October 6, 2014	247 Companies	Approx. 1,800
11th Round	March 2, 2015	250 Companies	Approx. 1,850
12th Round	July 14, 2015	257 Companies	Approx. 1,900
13th Round	October 5, 2015	259 Companies	Approx. 2,000
14th Round	March 7, 2016	267 Companies	Approx. 2,200
15th Round	July 12, 2016	260 Companies	Approx. 2,000
16th Round	October 17, 2016	270 Companies	Approx. 2,200
17th Round	March 6, 2017	270 Companies	Approx. 2,200
18th Round	October 16, 2017	270 Companies	Approx. 2,220
19th Round	March 5, 2018	270 Companies	Approx. 2,300
20th Round	October 15, 2018	270 Companies	Approx. 2,300
21st Round	March 5, 2019	270 Companies	Approx. 2,300



[> More details on the Tohoku Kakehashi Project can be found here \(in Japanese\)](#)

Supporting PEP Kids Koriyama

At York-Benimaru, support is provided for PEP Kids Koriyama in Fukushima Prefecture, an indoor, active playground in the city of Koriyama founded on the concept of “Play, Learn and Grow,” which allows children with fewer opportunities to play outside due to the nuclear accident that occurred with the Great East Japan Earthquake to actively engage in exuberant, physical play.



PEP Kids Koriyama

[> An overview of PEP Kids Koriyama \(in Japanese\)](#)

Participation in the Great East Japan Earthquake Reconstruction Project

In addition, Seven & i Holdings has participated in the Seven-Eleven Foundation’s Great East Japan Earthquake Recovery Project since June 2011 and continues to support recovery and reconstruction in areas that were severely affected. Seven & i Group employees also participate each year in volunteer activities. For the 13th Great East Japan Earthquake Recovery Project held in September 2017, volunteers took part in a beach clean-up at Kukunaki Beach and participated in oyster cultivation work to support the fisheries industry in Karakuwa Sosei Village in Karakuwa Town, Kesenuma City.

[> For more details about the Great East Japan Earthquake Recovery Project of the Seven-Eleven Foundation \(in Japanese\)](#)

Material Issue 3 Non-Wasteful Usage of Products, Ingredients, and Energy

Approach to Material Issues

The Seven & i Group 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 Group as they will additionally 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.

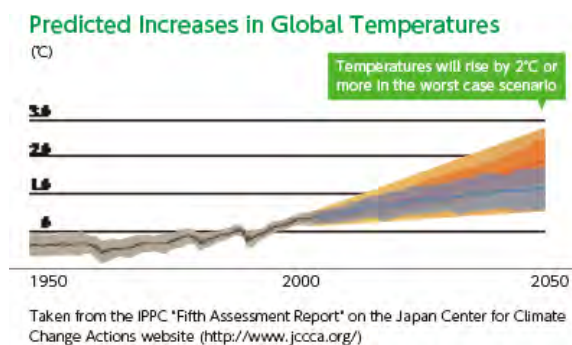
Relevant Policies

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

Background to Material Issues

Climate Change

Environmental issues are a global concern. Manifestations of climate change, such as rising sea levels, erratic weather, and damage to primary industries, 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 2°C or more by 2050, with CO₂ 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.



Promotional Framework for Material Issues

In response to this material issue, the CSR Management Committee, led by the president, and its subordinate Environmental Subcommittee, work together with the Group companies and related departments to promote initiatives to reduce CO₂ emissions and make effective use of limited resources through business activities. These activities are supervised by the Seven and i Holdings Director Executive Officer Head of Corporate Communication Division.

Contribution to SDGs

In addressing these material issues, Seven & i Holdings contributes to achieving goals 4, 7, 12, 13, and 15 of the Sustainable Development Goals (SDGs) by reducing CO₂ emissions and waste of food products, and so forth.



Seven & i Holdings' Initiatives

Environmental Management

In addition to establishing a system of environmental management, Seven & i Holdings is striving to attain a proper grasp of its environmental impact through third-party audits of CO₂ emissions.

[> More](#)

Initiatives to Realize a Low-Carbon Society

Seven & i Holdings has set a target of reducing CO₂ emissions generated from store operations by 80% compared to FY2013 by FY2050, and is expanding energy conservation and the use of renewable energy, aiming at the realization of a low-carbon society with significantly reduced CO₂ emissions, a major cause of global warming.

[> More](#)

Reducing Environmental Impact in the Supply Chain

Seven & i Holdings is focusing on initiatives to reduce its own environmental impact as well as working together with its business partners to reduce environmental impact across the entire supply chain.

[> More](#)

Promoting Food Recycling

In light of the business characteristic where foods account for a large portion of sales, Seven & i Holdings is undertaking initiatives with the important themes of reduction and recycling of food waste, and has set a food recycling target of 100% by 2050.

[> More](#)

Effective Use of Resources

Seven & i Holdings is not only working to reduce waste emissions associated with store operations, but is also working with cooperation from customers and business partners to reduce container and packaging materials used for supplying products, and to reduce and recycle container and packaging materials after customers have used them.

[> More](#)

Introduction of Environmental-Friendly Packaging

Product containers and packaging play important roles including preserving products and displaying information about ingredients, but after product use, these items become waste. Seven & i Holdings is working to reduce the environmental impact of containers and packaging by introducing containers and packaging made from recycled materials or biodegradable materials.

[> More](#)

Internal and External Communication

Seven & i Holdings is working to raise the awareness of Group employees by providing them with environmental education and other initiatives. At the same time, it is emphasizing communication with customers, external environmental organizations and so forth.

[> More](#)

Material Issue 3 Non-Wasteful Usage of Products, Ingredients and Energy

Environmental Management

To fully implement its initiatives to reduce its environmental impact, Seven & i Holdings is establishing a system of environmental management and striving to attain a proper grasp of its environmental impact through third-party audits of CO2 emissions.



ISO 14001 Acquisition

Seven & i Holdings aims to reduce its environmental impact. To this end, we are promoting acquisition of the international standard ISO 14001, and we conduct annual internal audits at the operating companies that have the certification. Sogo & Seibu became the first in the department store sector to acquire ISO 14001 certification in 1999, and has maintained it continuously at all business sites. Furthermore, SEJ acquired the certification at the end of February 2015 for its offices and directly managed stores throughout Japan. Seven & i Food Systems also acquired the certification in February 2015, and IY Foods in February 2016. The sales ratio of the operating companies that have obtained ISO 14001 certification is approximately 50% of the Group's net sales.

Eco Action 21 Certification Acquired

In collaboration with the Nihon Delica Foods Association (NDF), SEJ shares information on examples of initiatives that have substantial energy-saving effects at biannual nationwide CSR promotion conferences. SEJ also confirms the need to create system that can respond to a variety of environmental issues including compliance, continuing energy-saving measures, reducing CO2 emissions, and reducing food loss.

Based on the results of the confirmations, SEJ declared that it will utilize Eco Action 21 established by the Ministry of the Environment. SEJ is taking action such as holding briefings and acquired certification at 32 plants of eight companies that produce daily products (as of February 28, 2019).

Third-Party Audit of CO₂ Emissions

To correctly assess and verify the initiatives taken to reduce environmental impact, each year since 2015, Seven & i Holdings has undergone third-party audits of CO₂ emissions from store operations. In the fiscal year ending February 28, 2020, audits of 12 companies* will be conducted, covering about 97% of the Group's total sales. The CO₂ emissions associated with store operations by the 12 companies in the fiscal year ended February 28, 2019 were 130,360 tons for Scope 1, and 3,110,724 tons for Scope 2. Moreover, we underwent a third-party audit of the data for the Category 1 emissions of SEJ, which accounted for about half (9,874,836 tons) of the Scope 3 emissions, thereby helping to improve the accuracy and reliability of the quantitative data internally and externally.

* The twelve companies are: SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, THE LOFT, SHELL GARDEN, Life Foods, IY Foods, and 7-Eleven, Inc.



Third-Party Verification Report

[> Third-Party Verification Report](#)

Management of Water

At each store of the Seven & i Group, in addition to the daily efforts made to conserve water, water-conserving faucets and energy-saving flushing toilets are also being introduced. Furthermore, through utilizing rainwater and so forth, we are working to reduce the volumes of water used. As a result, in the fiscal year ended February 28, 2019, water usage in conjunction with store operation was 34,067,000 m³*, a decrease of 11.4% compared to the fiscal year ended February 28, 2018.

* Eight companies included: SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, and THE LOFT

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 developed countries by 2020. As this will require a changeover to another type of substitute, we also plan to further promote the introduction of non-CFC devices in freezing and refrigeration devices used at our stores. At SEJ, refrigeration devices that utilize CO₂ refrigerants have been introduced at 174 stores (as of February 28, 2019), and we are trialing them at 6 IY stores.

Management of Paper

At 7-Eleven, we are making progress toward going paperless for accounting forms that have thus far been generated on paper, and we have been expanding this effort to all stores since June 2019. This initiative has allowed us to reduce the amount of paper used annually at each store by approx. 3,000 sheets, which helps to reduce the impact on the environment.

Material Issue 3 Non-Wasteful Usage of Products, Ingredients and Energy

Initiatives for Realizing a Low-Carbon Society

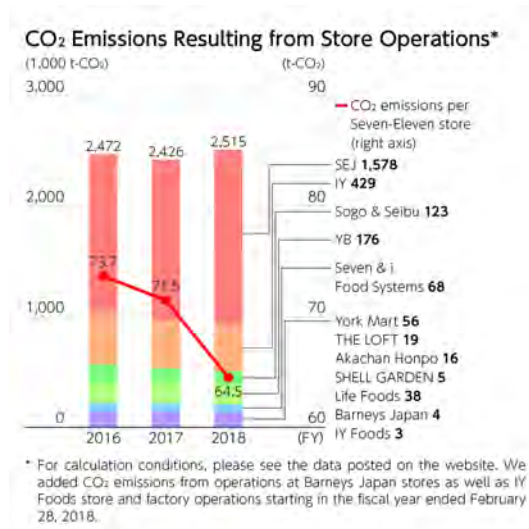
Seven & i Holdings is taking steps to reduce CO₂, the main cause of global warming, and to create a low-carbon society with dramatically reduced CO₂ emissions. We are promoting energy saving initiatives and expanding the use of renewable energy in order to achieve a target of reducing CO₂ emissions arising in conjunction with store operation by 80% compared to FY2013 by 2050*.

* The target covers 12 operating companies subject to the Act Concerning the Rational Use of Energy (Energy-Saving Act) (SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, THE LOFT, SHELL GARDEN, Life Foods, IY Foods, and Barneys Japan).



Reduction Targets for CO₂ Emissions

Approximately 90% of the CO₂ emissions by each Seven & i Group company are from the use of energy for store operations. For this reason, we set a target of reducing CO₂ emissions occurring in conjunction with operation of the stores of the 12 operating companies in Japan by 80% compared to FY2013 by FY2050 so that CO₂ emissions do not increase in conjunction with the expansion of business and increases in the number of stores.

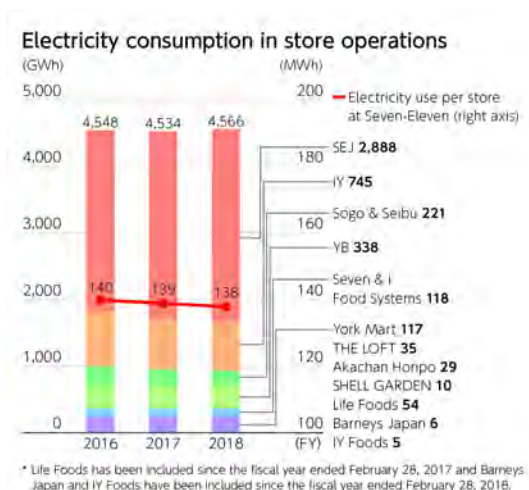


➤ [Details of CO₂ emissions amount data can be found here](#)

Promoting Introduction of Energy-Saving Equipment at Stores

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

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 8,018 stores (as of February 28, 2019). 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 13 stores (as of February 28, 2019).



LED lights



Solar panels

Main investments in environmental equipment—cost and effect (FY2018)*

Environmental investment (million yen)	Environmental expenses (million yen)	Projected reduction in expenses (million yen)	CO ₂ reduction effect (Tons)
6,631	4,532	866	23,966

※ Totals for nine companies: SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, THE LOFT, and SHELL GARDEN

Stores with Hydrogen Stations

SEJ has signed a comprehensive agreement with Iwatani Corporation regarding the installation of hydrogen stations together with convenience stores. In March 2017, the companies opened a store with a hydrogen station in Sendai, Miyagi Prefecture, bringing the total number of hydrogen-station stores to three with the existing stores in Ikegami, Ota-ku, Tokyo Metropolis and Kariya City, Aichi Prefecture.

Looking ahead, we will install pure hydrogen fuel cells at the 7-Eleven 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 stores. 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.



7-Eleven store with hydrogen station at Ota-ku Ikegami 8-chome

People- and Environment-Friendly Next-Generation 7-Eleven Stores

In December 2017, SEJ refurbished the Chiyoda Nibancho 7-Eleven store, incorporating new technologies that will serve as the foundations for optimal next-generation stores.

By utilizing the technologies and facilities of companies representing various fields from Japan and other countries, total electric power externally purchased by the store has been reduced by approximately 28%*1, and work times relating to the subject equipment has been reduced by approximately 5.5 hours per day*2.

In addition, in May 2018 we opened stores in Sagamihara City, Kanagawa Prefecture based on the three themes of reducing the impact on the environment, making it easier to work, and creating a comfortable store environment. We installed equipment that allowed us to cover approx. 46% of our electricity usage with renewable energy and reduce our daily working hours by approx. 7.1 hours.

*1 Converted from the case where the technologies and equipment were installed in a standard store, compared to FY2013.

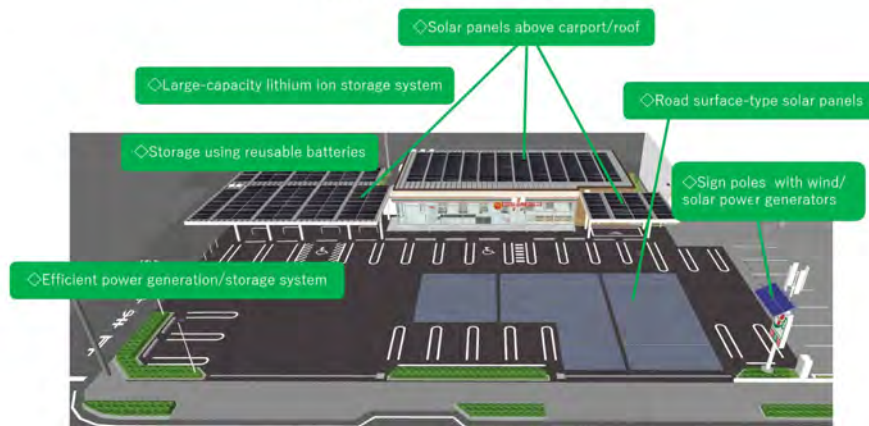
*2 Total compared to work performed according to existing procedures in an average store environment.



Sliding shelves at the Chiyoda Nibancho 7-Eleven store

[Equipment/Store Exterior]

< Overview of Adopted Technology (Excerpt) >



1-Hashimotodai, Sagamihara 7-Eleven store

Commencement of Trial Test on 100% Renewable Energy Store Operation

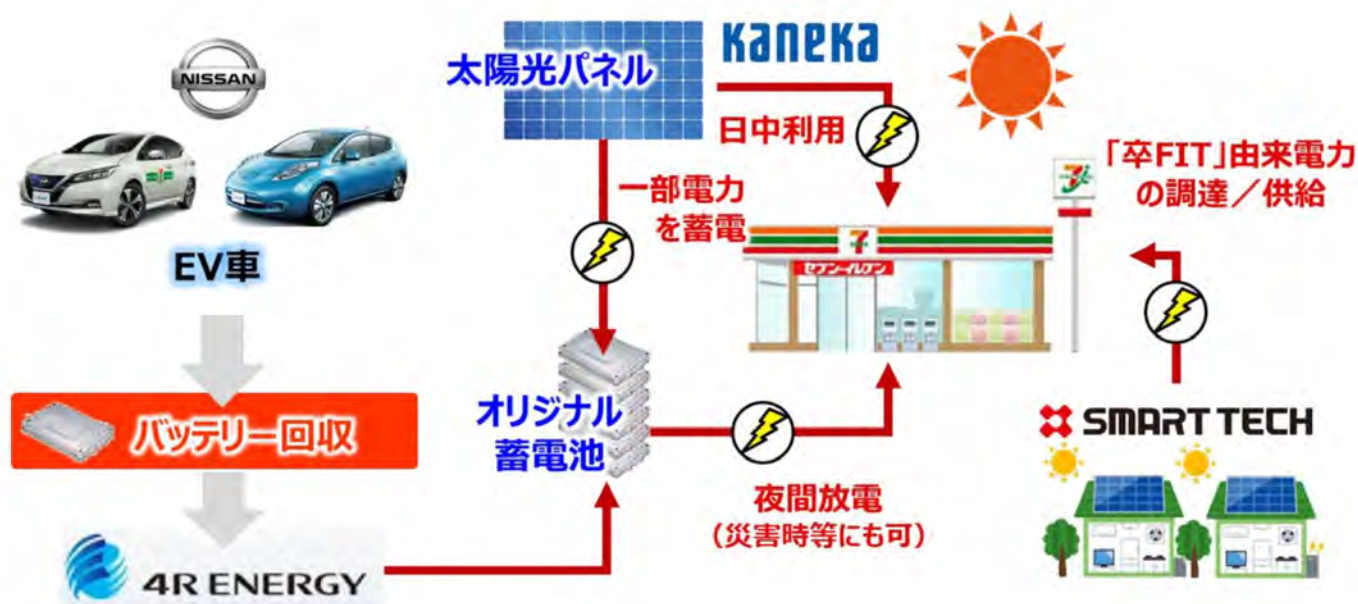
In September 2019, as an initiative based on the Agreement on Cooperation and Collaboration in Promoting SDGs between Seven & i Holdings and Kanagawa Prefecture as well as the Seven & i Group's Environmental Declaration, Seven Eleven Japan started a trial test at 10 7-Eleven stores within Kanagawa Prefecture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

4R Energy's original batteries—which uses reused batteries from the Nissan LEAF electric vehicle produced by Nissan Motor—and solar panels with significantly improved electric power generation efficiency made by Kaneka are installed at stores undergoing the trial. Electric power is used efficiently through in-house power generation. In addition, since November 2019, the procurement of electric power beyond what in-house generation is being supplied by SMART TECH based on post-FIT*1, allowing an actual renewable energy rate of 100%*2 when combined with in-house power generation. In addition to initiatives undertaken so far, such as people- and environment-friendly stores, Seven & i aims to significantly reduce CO2 emission through this initiative.

※1 FIT is the abbreviation for feed-in tariff, a scheme for energy buyback at a fixed price. It is an assistance scheme that fixes the buyback price of energy produced. Post-FIT is expected to gradually occur from November 2019 as the scheme ends for solar energy.

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

Overview of Initiative



Installation of Electric Vehicle Chargers

Seven & i Holdings and NEC Corporation have installed approximately 3,300 chargers for electric vehicles (EVs) and plug-in hybrid vehicles (PHVs) as of February 28, 2019 in parking lots at 47 stores in Japan, including IY, Ario, and Sogo & Seibu department stores to provide a fee-based charging service. Payment for the service is made with a charging card issued by Nippon Charge Service LLC, a joint venture established by four Japanese automakers, as well as credit cards.

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. It also aims to contribute to the realization of a lowcarbon society by promoting the spread of environment-friendly, next-generation cars.



Electric Vehicle Chargers

Managing Climate Change Risks

Seven & i Holdings is affected by various risks related to climate change. These include regulatory risk from tighter regulations in Japan and overseas, physical risk from the occurrence of major disasters, and judgment risk, in which changes in consumer purchasing behavior due to the climate and response to weather fluctuations become the standards for evaluating companies. In particular, the impact from changes in temperature and the occurrence of major natural disasters extends beyond damage to store equipment and distribution networks, restrictions or halts to trading, and sales opportunity loss; it can also affect Group companies' product suppliers and raw material prices. Climate change is therefore a risk factor for all aspects of operations, from product development and production to distribution, store operations, and product lineups. Seven & i Holdings therefore recognizes that quickly building and implementing a business model that can cope with weather and climate change is important for maintaining growth.

Seven & i Holdings, in accordance with its "basic rules for risk management," establishes, maintains, and utilizes comprehensive risk management systems, centered on the Risk Management Committee, in order to properly analyze and evaluate, and appropriately respond to risks associated with each business, with consideration for changes in the management environment and risk factors relevant to the Company and its Group companies. Risks associated with climate change are managed under the systems described below.

Once each year, each Group company identifies risks affecting that company based on an examination of the shared Group risk catalogue presented by the Risk Department, which serves as the administrative office for the Risk Management Committee. Companies quantify risks assessments based on the degree of impact and the likelihood of occurrence of each risk, organize responses countermeasures to each risk in a risk assessment table, and submit the table to the Risk Department. The risk assessment tables include physical risks (large-scale disasters) from restrictions on CO2 emissions and climate change as well as reputational risks from delays in responding to climate change and other such risks.

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

The officer responsible for the Risk Management Committee responds on the status of Group risk management to the Seven & i Holdings Board of Directors at least once annually.

Measures for Adaptation to and Mitigation of Climate Change Risks

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

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 steadily regardless of market trends. In this way, we are also addressing the aspect of stable product procurement. These Seven Farms are located in 14 places throughout Japan, covering approximately 250 ha in total. (As of February 28, 2019). 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.

Material Issue 3 Non-Wasteful Usage of Products, Ingredients and Energy

Reducing Environmental Impact in the Supply Chain

Seven & i Holdings is focusing on reducing its own environmental impact as well as working together with its business partners to reduce environmental impact across the entire supply chain. For example, we are 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.



Scope 3*1 Calculation

Seven & i Holdings is working to reduce CO2 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 CO2 emissions (“Scope 3”) throughout the entire supply chain 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 28, 2019 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. We will analyze this calculation result and use it to achieve further reductions of CO2 emissions across the entire supply chain.

*1. “Scope 3”: CO2 emissions other than those from the company, emitted from its procurement of raw materials and products, transportation, and product use, together with CO2 emissions from waste disposal processes

*2. SEJ, IY, Sogo & Seibu, YB, 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 28, 2019 (Totals for 10 companies)

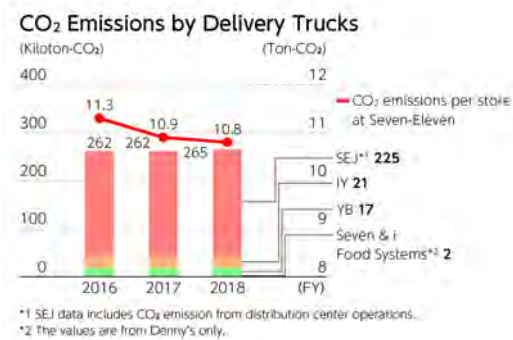
Category	Composition ratio	
Scope 1	0.5%	
Scope 2	10.8%	
Scope 3 Categories 1-15 (total)	88.6%	100.0%
Category 1 (Purchased goods and services)		85.9%
Category 2 (Capital goods)		3.0%
Category 3 (Fuel- and-energy-related activities not included in Scope 1 or 2)		1.0%
Category 4 (Upstream transportation and distribution)		1.4%
Category 5 (Waste generated in operations)		0.3%
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)		-
Category 11 (Use of sold products)		0.4%
Category 12 (End of life treatment of sold products)		6.4%
Category 13 (Downstream leased assets)		1.1%
Category 14 (Franchises)		-
Category 15 (Investments)		-
Total of Scopes 1, 2 and 3	100.0%	

Environmental Consideration in Leased Vehicles

At SEJ, Operation Field Consultants, who support franchised store management, use leased vehicles to visit franchised stores. We have been phasing in hybrid vehicles for these leased vehicles. In the fiscal year ending February 28, 2019, we replaced about 1,800 of our leased vehicles with hybrid models.

Reducing CO₂ Emissions from Deliveries

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



Introduction of Eco-Friendly Vehicles

SEJ is actively introducing eco-friendly hybrid trucks and compressed natural gas (CNG) delivery vehicles and working to reduce CO₂ emissions to support the development of a low-carbon society. Of the total of 6,001 delivery vehicles, 983 are eco-friendly vehicles (as of February 28, 2019). In April 2019, SEJ entered into an agreement with Toyota Motor Corporation regarding store shipments using small fuel cell trucks to save energy and reduce CO₂ in logistics. Under the agreement, we have begun a demonstration trial for shipments using hydrogen-powered fuel cell trucks.



Japan's first EV delivery truck



A small fuel cell truck

Using Biodiesel in Delivery Vehicles

SEJ is cooperating with a project being conducted by Ehime Prefecture to encourage the use of biodiesel fuel (BDF) produced from used frying oil. Starting March 2018, SEJ has been refining BDF from oil collected from households, fryers in 7-Eleven stores, and production of fried foods at specialized plants in Ehime Prefecture. SEJ projects that approximately 25,000 liters of BDF will be used each month and that emissions from deliveries will be reduced by about 2,590 kg-CO₂ per month.



A delivery vehicle that uses biodiesel fuel

Promoting Introduction of Eco-Friendly Tires

SEJ is promoting the introduction of eco-friendly tires with low rolling resistance for delivery vehicles. As of February 28, 2019, we have installed eco-friendly tires on 5,941 delivery vehicles, representing approximately 99% of the total fleet. Moreover, SEJ has also introduced retread tires to 2,015 vehicles, as of February 28, 2019. These tires are made from tires that have finished their service life, by removing a certain amount of the rubber surface that makes contact with the road and applying new rubber and tread. In this way, they can be re-used as rear tires for delivery vehicles. SEJ will promote the use of retread tires to contribute to resource conservation and waste reduction by reusing them.



Retread tires

Introduction of Energy-Saving Equipment at Distribution Centers

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 at 79 of 159 distribution centers (as of February 28, 2019).

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 CO2 emissions, waste emissions, and the food recycle rate associated with plant operations. We work to ascertain the environmental information of our contract manufacturers and hold study seminars in conjunction with the CSR Promotion 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.

Business Partner Action Guidelines and CSR Audit

To ensure that it meets its social responsibilities on matters such as human rights, labor issues and the environment, Seven & i Holdings formulated the Business Partner Action Guidelines and asks business partners to understand and implement them. The guidelines cover compliance with environmental laws and regulations, as well as consideration for climate change, biodiversity, and sustainable procurement. Since the fiscal year ended February 28, 2013, we have had CSR audits conducted by third-party inspections organizations at the manufacturing plants of our private brand suppliers in developing countries. The CSR audits include inspections of environmental aspects, such as compliance with environmental laws and regulations, management of effluent and chemical substances, and promotion of energy-saving and environmental protection activities.

> [Further details about the Business Partner Action Guidelines can be found here](#)

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

Material Issue 3 Non-Wasteful Usage of Products, Ingredients and Energy

Promoting Food Recycling

At Seven & i Holdings, food products account for a large portion of net sales. With this in mind, we have been advancing measures based on the key themes of reducing food waste and promoting recycling with a target food recycling rate of 100% by 2050*.



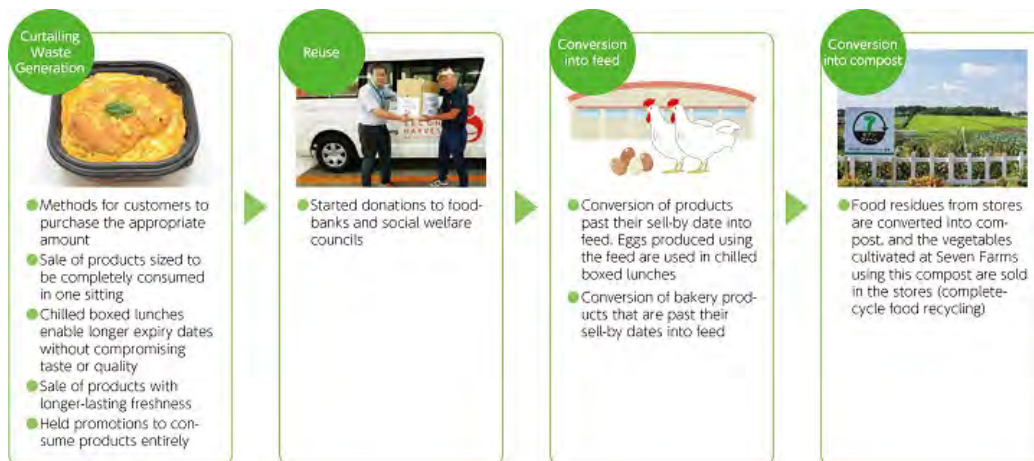
* Covering six food-related operating companies: SEJ, IY, YB, York Mart, Seven & i Food Systems, and SHELL GARDEN.

Our Approach to Reducing Food Waste

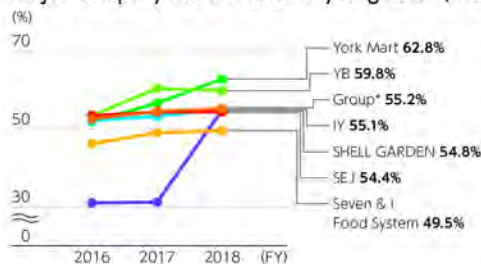
Our priorities for reducing food waste are to curtail the generation of waste, promote the reuse of waste, convert waste into feed and fertilizer, and recover heat. The Seven & i Group is currently conducting initiatives centered on converting waste into feed and fertilizer. For example, IY has been engaged in “recycling-oriented agriculture” since 2008. Under this system, food residue generated by IY stores is composted and used by Seven Farms to grow vegetables. These vegetables are then sold at IY stores.

Looking ahead, we will continue to establish these recycling systems in each region, with a view to enhancing the recycling rate.

We are also taking steps to curtail the generation of waste, including innovating sales methods and developing products with longer-lasting freshness. Looking ahead, we will continue to advance innovative initiatives to prevent the generation of food waste, such as by developing new products and services. With regard to reuse, SEJ has been donating inventories of process foods to food banks when stores are closed or refurbished, since the fiscal year ended February 28, 2018, and began making donations to social welfare organization in the fiscal year ending February 28, 2019. Ito-Yokado has similarly been donating unexpired foods from some stores to food banks since the fiscal year ended February 28, 2018. We believe that promoting reuse is an important issue, and we will step up our measures in this area in the future.



Major Company Food-Waste Recycling Rates (FY2018)



* Six food-related operating companies (SEJ, IY, YB, York Mart, Seven & i Food Systems, SHELL GARDEN)

Reducing Food Waste

In order to reduce food waste, the Seven & i Group has been innovating its sales methods, products and other aspects of business in various ways. For example, IY has introduced sales methods such as selling individual loose items and selling by weight, enabling customers to purchase products only in the amounts they need. In addition, SEJ has developed chilled boxed lunches that have longer expiry dates than conventional products, without compromising taste or quality. This has been achieved by revising ingredients, manufacturing processes, and temperature control methods. SEJ is also working to reduce food waste by developing products with longer-lasting freshness in the categories of bread and delicatessen items.

In other areas, Seven & i Food Systems has been implementing measures to reduce food leftovers at Denny's restaurants, such as providing menus offering dishes with smaller servings that can be finished comfortably without leftovers, supplying take-home boxes for any leftovers, and holding a campaign in collaboration with municipalities to encourage people to enjoy eating everything on their plate.

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 20 stores as of the end of February 2019. Through the power of microorganisms, the devices break down into water and CO₂ garbage that is ill-suited to recycling (such as highly fibrous substances, etc.). This process results in reduced CO₂ emissions compared to incineration processing, and it offers an effective reduction of waste volumes.



Garbage processor

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. In the fiscal year ended February 28, 2019, the combined recycling rate for products that had passed their sell-by dates and discarded food oil was 54.4%.

* Eco Distribution: 7-Eleven'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.

Recycling-Oriented Farms (Seven Farms)

In August 2008, with the aim of enhancing recycling rates and revitalizing local agriculture, IY 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 it at Seven Farms. The produce that is grown at the farms is then harvested and sold at the stores from which the food residues were generated. As of February 28, 2019, Seven Farm had expanded to 14 sites nationwide, Seven Farm is actively working to acquire certification under Japan Good Agricultural Practice (JGAP), an agricultural production process management technique, and currently, ten farms have acquired JGAP certification.



Seven Farms



Seven Farms Recycling-Oriented System

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

Material Issue 3 Non-Wasteful Usage of Products, Ingredients and Energy

Effective Use of Resources

Depletion of resources such as oil has become an issue. Seven & i Holdings is working to reduce waste emissions associated with store operations, as well as working with customers and business partners to reduce container and packaging materials used for supplying products and to recycle them after they are used by customers.



Installing Reverse Vending Machines for Collecting PET Bottles for Recycling

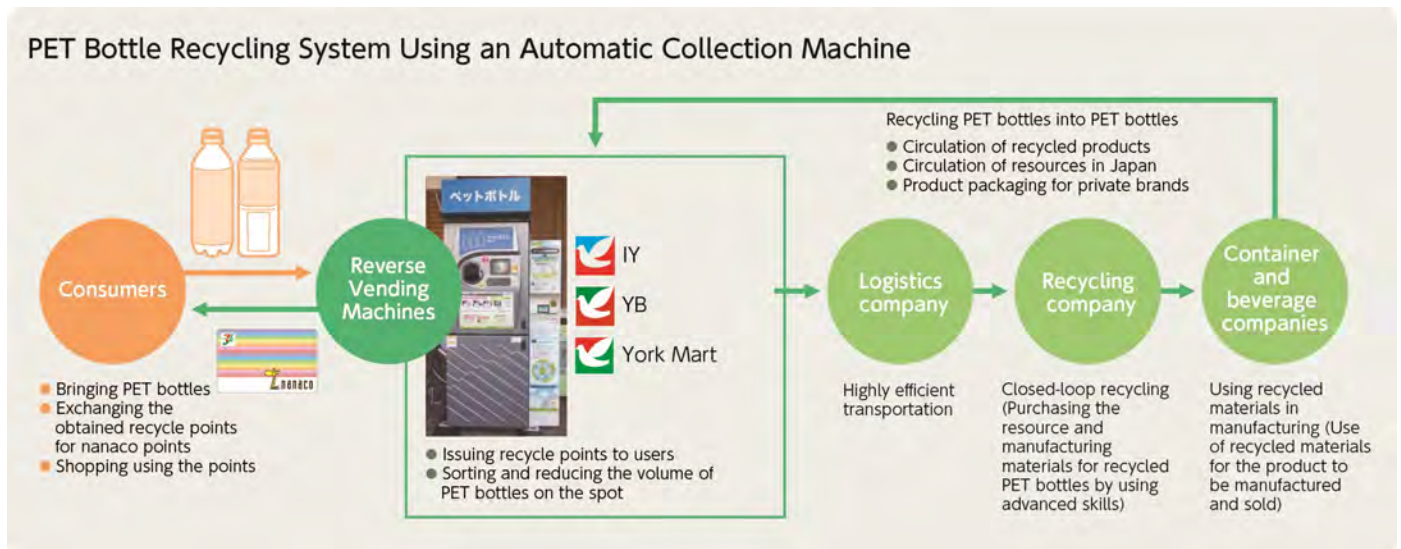
IY, YB, and York Mart have had reverse vending machines for Collecting PET bottles for recycling installed at stores since 2012. Because PET bottles inserted into the machines undergo an automatic process of foreign-matter removal and volume-reduction (by either compression or crushing), large volumes 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 CO2 emissions resulting from the operations can be reduced. SEJ conducted trials of reverse vending machines at five stores in Koto-ku, Tokyo starting in December 2015. Later, the program was expanded in stages to 300 stores in Tokyo and Saitama Prefecture starting in December 2017.

In addition, since June 2019, SEJ has been partnering with Higashi-yamato City, the Nippon Foundation, and the Higashi-yamato City Cleaning Business Cooperative to gradually install automatic PET bottle collection machines to promote bottle-to-bottle recycling at all 7-Eleven stores in Higashi-yamato City. It is working together with local communities to create a circular economy and promoting the realization of a recycling-oriented society and a reduction in ocean pollution.



Small-sized reverse vending machine System for convenience stores

PET Bottle Recycling System Using a reverse vending machine



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 2019, the vending machines have been installed in 759 stores across the four companies, and approximately 8,900 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.

Achieving Complete Bottle-to-Bottle PET Bottle Recycling

The Seven & i Group’s initiative, in which it uses 100% of the PET bottle collected by stores in specific distribution groups as raw materials and sells it as a product again in the same distribution group, is the first of its kind in the world.*

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

Reducing Waste Resulting from Products

IY is working to curtail the generation of waste and to promote reuse and recycling with a view to reducing waste disposal. For example, in product deliveries, we recommend the use of reusable containers and the use of hangers for delivery of apparel as a way of cutting down on the use of packaging and cardboard. 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

When 7-Eleven stores are to be rebuilt or closed, the disposed product shelving, fixtures, and chiller cases are reused at other stores after undergoing maintenance. Furthermore, steel frames and sashes that are made available, through dismantling stores are reused in the construction of new stores hence reducing construction waste.

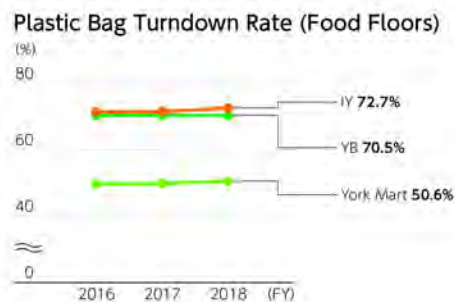


Innovating Sales Methods to Reduce Containers and Packaging

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

Reducing the Use of Disposable Plastic Bags

The Seven & i Group promotes the reduced use of disposable plastic bags by asking customers whether they need a bag at the register, displaying posters and POP signs, and holding events to encourage customers to bring their own shopping bags when shopping at stores. 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. SEJ is working to introduce biomass polyethylene shopping bags.



Resource Recovery at Stores

The Seven & i Group is promoting an important initiative to recover and recycle empty containers and other materials from its products. Every Group company cooperates with customers and local governments to recover resources such as bottles, cans, polystyrene, paper cartons, and PET bottles at stores in accordance with local waste disposal sorting rules. Recently, some stores of the Group have also been cooperating with local governments to recover small electrical appliances, which have been drawing attention as “urban mines.” For example, IY’s Kasai Store hosted the event “Creating Products from an Urban Mine – Medal Project for Everyone” held by the Ministry of the Environment in February 2017. Currently, 14 stores have a permanent recycling box for small home appliances (as of the end of February 2019), and are working to increase awareness among local residents and to collect materials.

Material Issue 3 Non-Wasteful Usage of Products, Ingredients and Energy

Introduction of Environmental-Friendly Packaging

Product containers and packaging play important roles including preserving products and displaying information about ingredients, but after product use, these items become waste. Seven & i Holdings is working to reduce the environmental impact of containers and packaging by introducing containers and packaging made from recycled materials and biodegradable materials.



Environmental-Friendly Seven Premium

With its private brand Seven Premium, the Group seeks to promote the values of “taste,” “quality,” and “safety and reliability,” while at the same time developing products that are environmental-friendly. So far, the Group has used environmentally considerate packaging such as recycled PET or forest thinning materials in 950 Seven Premium products. The Group is expanding its measures with the aim of using environmental-friendly containers and packaging for all Seven Premium products by 2030.

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 cartons. Moreover, the volume of CO2 emissions per carton from the raw material procurement and manufacturing process is around 12% lower compared with the aluminum cartons. Furthermore, this initiative has resulted in a CO2 reduction of approximately 250 tons per year, the equivalent of the CO2 absorbed by approximately 18,000 cedar trees.



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

Use of Plant Based Materials

In April 2016, SEJ introduced rice ink for printing the packaging of rice balls sold at its stores. Rice ink is made from rice bran oil, a non-edible part of the plant extracted from rice bran. This ink reduces the Company's annual CO2 emissions by around 60 tons compared with conventional petroleum-based inks and is therefore aiding in reducing environmental impact. Moreover, the packaging is also contributing to our efforts to promote local production for local consumption by using domestically produced rice bran oil, which is one of the raw materials.

In December 2016, SEJ changed to plant-based packaging film and ink for its original bakery products. Compared with the previous oil-based packaging, this has therefore reduced the Company's annual CO2 emissions by approximately 108 tons.



Product packaging made with plant-derived materials

Use of Forest Thinning Materials

Certain Seven Premium cup soups and yoghurt drinks have containers made with Seven Forest thinning materials. Japan has a large number of unmaintained man-made forests that have been left unattended. With many such forests currently not fulfilling their potential as carbon sinks, use of forest thinning materials can contribute to the creation of healthy forests and prevention of global warming.

Forest thinning materials are also being phased in for use in the outer sleeve section of the hot cups used for SEVEN CAFÉ, which is sold mainly at 7-Eleven stores throughout Japan.



Products that use forest thinning materials

A SEVEN CAFÉ cup and the Forest Thinning Material Mark (printed on the reverse side)

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

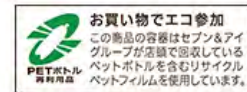
Introduction of Recycled Materials

IY and York Mart are introducing recycled trays manufactured by suppliers that have received Eco Mark certification. In the fiscal year ended February 28, 2019, approximately 800 types of recycled tray were introduced. The introduction of recycled trays reduced annual CO2 emissions by approximately 2,900 tons.

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



Recycled tray



Packaging made from recycled PET bottle material

Introduction of Biomass Materials

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



Example of Salad Cup Container using environmental-friendly PET

Environmental-Friendly SEVEN CAFÉ

Many customers support SEVEN CAFÉ, which is promoting environmental considerations in various ways. For example, forest thinning material is used for the outer sleeves for hot beverages. Cups for iced beverages use a compound material that includes recycled PET. We are also working to cut down our use of limited resources, for example by making cups lighter and thinner.

Since the fiscal year ended February 28, 2018, we have developed an antibacterial deodorizer that uses recycled coffee grounds collected from some of our stores. The new product is being used for cleaning at 7-Eleven stores.



Antibacterial deodorizer that uses recycled coffee grounds

Environmental-Friendly SEVEN CAFÉ

Material Issue 3 Non-Wasteful Usage of Products, Ingredients and Energy

Internal and External Communication

Seven & i Holdings is working to raise the awareness of Group employees by providing them with environmental education and so on. At the same time, it is emphasizing communication with customers, external environmental organizations and others.



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 managers in line with the characteristics of each Group company. The aim is to instill basic knowledge and facilitate their understanding of environmental matters.

Specifically, June has been designated as Group Environment Month, and various programs are conducted to raise employee awareness and understanding. In the fiscal year ended February 28, 2019, in addition to environmental lectures conducted by outside instructors that were held for all Group employees as well as programs such as environmental study sessions at the Takao Forest and Nature School operated by the Seven-Eleven Foundation together with the Tokyo Metropolitan Government, activities such as the collection and recycling of unneeded smartphones and mobile phones were conducted as well. These efforts imparted knowledge and facilitated consideration of the environment by employees while allowing them to enjoy themselves.

Since the fiscal year ended February 28, 2015, the Group has been encouraging employees to pass the Certification Test for Environmental Specialists (Eco Test) as a training tool for systematically acquiring a broad knowledge about increasingly diverse environmental problems. With a target of having 12,000 Group employees pass the Eco Test by 2020, each company supports test takers by subsidizing test fees, holding study sessions, and so forth. In the fiscal year ended February 28, 2019, 2,363 employees passed the test (cumulative total of 6,515 people passing the test since the fiscal year ended February 28, 2015).

Holding Environmental Events

Seven & i Holdings holds environmental events both within and outside the Company to provide opportunities to raise environmental awareness of employees. For example, Group employees and 7-Eleven franchisees 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 20 locations throughout Japan; marine afforestation initiatives to cultivate eelgrass habitats, which purify water and reduce CO₂, thereby enriching the marine environments in Tokyo Bay and Osaka Bay; and conservation activities on Mt. Fuji. In the fiscal year ended February 28, 2019, a total of 2,754 people took part in such events, including personnel from SEJ franchised stores and Head Office employees as well as Group employees.

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

[> For more details about the Tokyo Bay UMI Project \(in Japanese\)](#)

Support for NPOs and Other Environmental Organizations

Seven & i Holdings continues to make donations to various environmental organizations such as the Keidanren Nature Conservation Fund, which promotes wider awareness of biodiversity and supports the nature protection projects of environmental and wildlife preservation group, as well as WWF Japan and various NGOs in and outside of Japan.

In addition, SEJ has been conducting environment-themed social contribution activities together with franchised stores through the Seven-Eleven Foundation since 1993. Based on contributions*1 from customers collected through collection boxes placed at the counters of 7-Eleven stores, along with donations from SEJ and other funds, the Seven-Eleven Foundation engages in environmental citizenship activity support projects, natural environment protection and conservation projects, publicity projects, and disaster recovery assistance projects. One of the major pillars of the environmental citizenship activities*2 is the funding of NPOs conducting regional environmental activities. The foundation has been calling for applications from NPOs each year since 2001, with the goal of seeing regional donations used to support regional environmental activities. Over the past 18 years in total, the foundation has provided ¥2,177,870,961 in funding for 3,520 activities.

The Seven-Eleven Foundation operates the Kokonoe Furusato Nature School located in Kokonoe Town, Kusu District, Oita Prefecture and the Takao Forest Nature School in Hachioji City, Tokyo, based on the principle of “Learning from nature: how to promote coexistence and mutually beneficial relationships between people and nature and the natural environment and local communities.” The Kokonoe Furusato Nature School is engaged in projects to protect and preserve the nature of Kujuu and to create towns where the crested ibis can also live. The school’s efforts to promote creation of rice fields that coexist with nature and where living things can thrive has been designated as a project in coordination with the Japan Committee for the United Nations Decade of Biodiversity. The Takao Forest Nature School is a collaborative project with the Tokyo metropolitan government, operating in a forest of approximately 26.5 ha owned by Tokyo Metropolis. The school’s programs include bird watching, volunteer experiences in the forest, flora observation, and craft work.

*1. Storefront donations collected in the fiscal year ended February 28, 2019 amounted to ¥375,482,345.

The total amount of storefront donations collected since the fiscal year ended February 28, 1995 is ¥7,464,558,406.

*2. Assistance for environmental NPOs through public support in the fiscal year ended February 28, 2019 (including recipients of ongoing support): 271 support projects; ¥153,957,167 provided in total



Takao Forest and Nature School



Collection box placed on counters in stores



Kokonoe Furusato Nature School

Responding to Opinions and Requests

We receive and respond to opinions and requests relating to the environment from customers and civic groups at the customer feedback departments at each Group company and at the Sustainability Promotion Department of Seven & i Holdings. In 2014, when we 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](#)

Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

Approach to Material Issues

The Seven & i Group has close to 140,000 employees working throughout the Group. Workplaces also include part-time employees, foreign nationals, and employees working short hours due to childcare and family care responsibilities. With this diverse workforce, we recognize that we have a duty as a corporation to support diverse working formats. We support the careers of our diverse employees and strive to create appealing workplaces that make work worthwhile. This enables us to steadily acquire diverse human resources, and also drives us to incorporate completely new ways of thinking and generate new value. It is therefore a source of competitiveness.

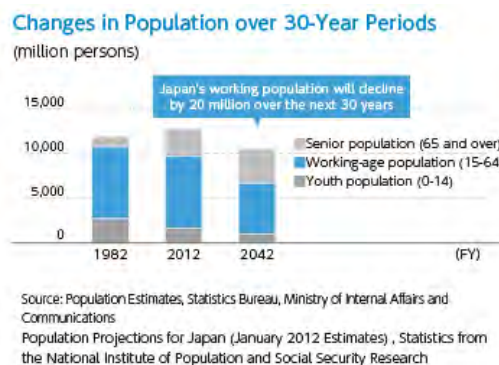
Policy Regarding CSR

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

Background to Material Issue

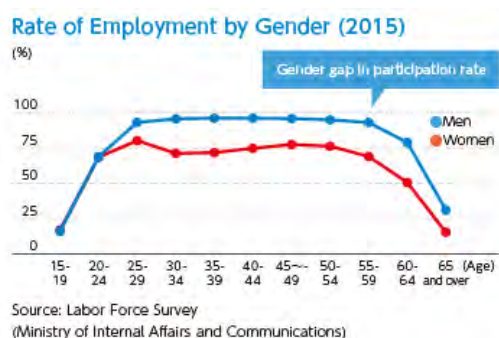
Population Aging and Decline in Productive-Aged Population

In Japan, the birth rate is in decline, and the population is advancing in age, leading the productive-aged population to decline. Over the next 30 years or so, the productive-aged population is projected to decline by over 20 million. For this reason, raising productivity by bolstering employee capacities and developing diverse personnel will help vitalize Japan's economy and society.



Supporting Active Roles for Women

With the productive-aged population in decline, it is essential to promote active participation by women. However, many women are denied the opportunity to work, for example, because it is not possible to balance work with childcare, or because they have been unable to return to work after childcare. Furthermore, the ratio of women in management in Japan is relatively low by international standards at 12.5% (2015). Creating workplaces where women can play active roles is therefore an important task.



Promotional Framework for Material Issues

In response to this material issue, the CSR Management Committee, led by the president, and its subordinate Corporate Ethics and Culture Subcommittee, work together with the Group companies and related divisions to create environments that allow individual employees to perform to their full potential and promote the development of appealing, fulfilling workplaces. These activities are supervised by the Seven and i Holdings director and executive officer in charge of Corporate Communication.

Contribution to SDGs

Though its engagement in this material issue, Seven & i Holdings provides pleasant working conditions for people inside and outside the company regardless of gender or age, thereby contributing to the achievement of Sustainable Development Goals (SDGs) 3, 4, 5, 8 and 10.



Seven & i Holdings' Initiatives

Diversity and Inclusion

We aim to enhance our corporate competitiveness through active participation of diverse human resources with the goal of becoming a company with a sustainable competitive advantage.

[> More](#)

Achieving a Work-Life Balance

We have a range of human resource systems in place to help employees to work more easily. We are also working to correct long working hours and encourage employees to take leave.

[> More](#)

Support for Fostering More Capable Employees

We are helping to improve the skills and abilities of every employee by having each Group company develop training systems tailored to the business characteristics of each company and work to develop its human resources.

[> More](#)

Assuring Fair Assessment and Treatment of Employees

We are operating various assessment systems for employees to maximize their individual abilities and ensure fair assessments free of unreasonable discrimination.

[> More](#)

Consideration for Employee Health and Occupational Safety and Health

We are taking a range of measures to promote better health among employees and maintain safe and comfortable workplaces.

[> More](#)

Employee Engagement Survey

We conduct an Employee Engagement Survey in order to create a workplace that motivates employees to work.

[> More](#)

Sound Labor-Management Relations

We recognize various rights of workers based on international norms, such as the right of workers to organize, as we strive to enhance the workplace environment through dialogue with employees.

[> More](#)

Support for Childcare

We offer various types of assistance related to childcare through our stores and establishments.

[> More](#)

Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

Diversity and Inclusion

The Seven & i Group has approximately 140,000 employees working throughout the Group. Workplaces also include part-time employees, non-Japanese employees, and employees working short hours due to childcare and family care responsibilities. With this diverse workforce, we recognize that we have a duty as a corporation to support diverse working formats. We support the careers of our diverse employees and strive to adjust workplaces so as to make work feel worthwhile. We understand that this not only improves productivity and enables us to secure human resources, but also leads to greater customer satisfaction and the generation of innovation, thereby increasing our competitive power.



Targets and Steps for Promoting Diversity and Inclusion

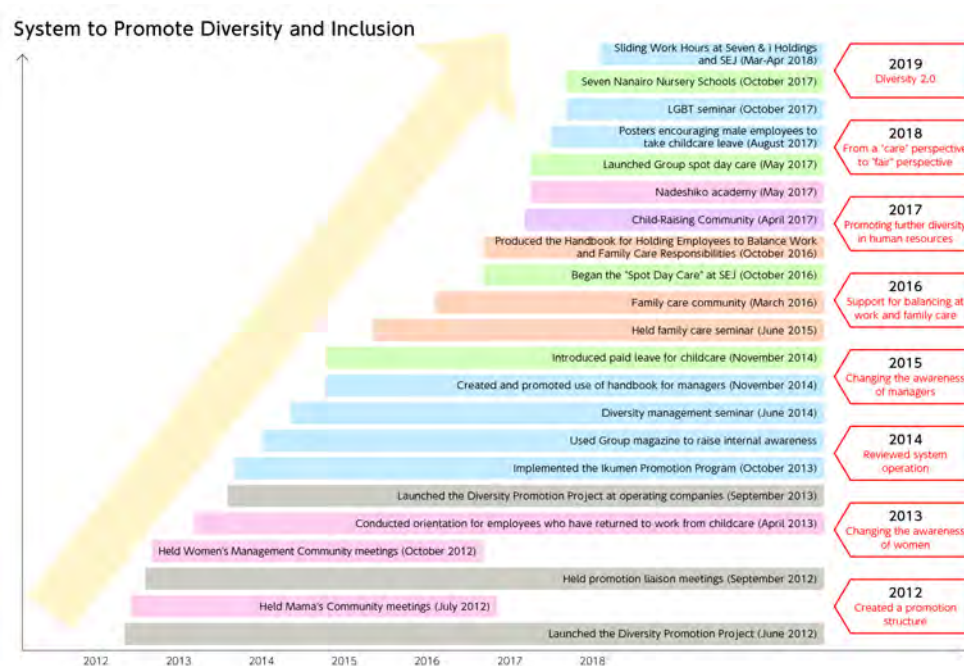
Seven & i Holdings established the Diversity Promotion Project in 2012. At the time, it promoted initiatives with a focus particularly on women's participation and advancement, based in part on the thinking that incorporating the perspectives and sensibilities of women into product and service development as well as sales floor arrangements would translate into higher customer satisfaction given that a majority of customers that visit the Group's stores are women. As the next steps in the initiative, in the fiscal year ended February 28, 2013, we created a promotion system and in 2013 conducted measures for awareness-raising among women themselves and revised operation of the system. In the fiscal year ended February 28, 2015, we moved to the stage of raising the awareness of management-level employees. In addition, since the fiscal year ended February 29, 2016, we have supported the balancing of work and family care responsibilities, and in 2017, our theme was LGBT. Thus, since 2013 we have decided to determine an annual theme and have been implementing measures based since then.

At the same time, we have also reviewed working formats for greater productivity, focusing on rectifying long working hours, which have been a barrier to the further advancement of diverse human resources, and on achieving employee work-life balance.

Diversity Promotion Targets

By 2020

1. Raise percentage of female managers: 30%
(section managers and team leaders)
2. Encourage male employees to participate in housework and childcare
3. Eliminate retirements resulting from need to provide family care
4. Improve employee satisfaction
5. Improve external evaluation



System to Promote Diversity and Inclusion

Based on the commitment of its top level members, Seven & i Holdings established a Seven & i Group Diversity and Inclusion Promotion Project (initially referred to as the Diversity Promotion Project) in 2012 within the Corporate Ethics and Culture Subcommittee under the CSR Management Committee. This project has involved the formulation of policies for activities to promote diversity and inclusion at the group as well as the formulation and execution of group-wide measures.


From 2013 specialized diversity organizations have also been established at stores including Seven-Eleven Japan and Ito-Yokado. Such organizations have set individual goals in accordance with the characteristics of each group company and initiatives are being implemented. In addition, a Diversity Promotion Liaison Council at which persons in charge of diversity promotion at 11 main group companies is held on a quarterly basis. The aim of this council is to share information on the progress of and issues related to promotion activities at each group company while also facilitating the horizontal deployment of superior initiatives to other group companies. The details of activities are reported on regularly at the Corporate Ethics and Culture Subcommittee at which personnel and CSR managers from 28 group companies attend, and the CSR Management Committee chaired by the President and Representative Director of Seven & i Holdings. The aim is to spread and bring to concrete fruition diversity and inclusion activities throughout the entire group.

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

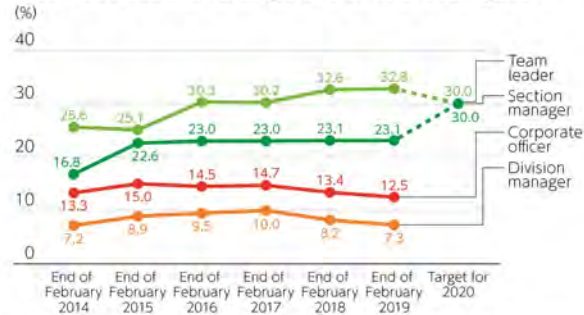
- > [Seven & i Holdings](#)
- > [Seven-Eleven Japan Co., Ltd.](#)
- > [Ito-Yokado Co., Ltd.](#)
- > [Sogo & Seibu Co., Ltd.](#)

Changes in the Ratio of Female Managers

We are working to promote highly capable women and further bolster personnel training to meet the goal of a 30% ratio of female managers by 2020, one of our targets for diversity promotion. As of the end of February 2019, the percentage of female managers has increased to 32.8% for team leaders and 23.1% for section managers. There has also been progress in changing awareness among female employees and managers, and there are now actually numerous managers in the short working hours program. At present, we are working to further train and promote women by holding selective training for managerial roles and management track candidates at Group companies and encouraging them to share career plans with supervisors during individual meetings.

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

Trends in the Percentage of Female Managers



* Total for Eight Group companies (Seven and i Holdings, SEJ, IY, Sogo & Seibu, YB, Seven & i Food Systems, Seven Bank, Akachan Honpo)

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

The Seven & i Holdings Group is working to promote active roles for women and other diverse human resources by conducting community activities and seminars targeting various levels within the Group.

Community Activities for Employees Involved in Raising Children

Since 2012, Seven & i Holdings has been implementing community activities aiming to construct networks and eliminate anxiety for employees who are involved in raising children as well as pregnant employees as a group-wide initiative. Information is exchanged and discussions are held during lunch breaks based on the predetermined theme at each session in relation to balancing work and child-raising. These activities have led to a review of work styles.



Child-Raising Community

Seven-Eleven Japan held a Reappointment Guidance Session based on the theme of balancing work with housework and child-raising for employees hoping to return to work after childcare leave and their superiors. An external lecturer was invited to the event. The aim of this session is to cultivate women who can balance child-raising with their career. The guidance session was held at the head office in Tokyo and a TV conference system was utilized to enable employees working at business offices throughout Japan to view it. In the fiscal year ended February 28, 2019, two sessions were held (spring and fall), with a total of 162 female employees and 170 management level employees attending. A total of 84 employees from 25 offices nationwide attended the spring fiscal 2019 session.

At York Mart, four gatherings were held in fiscal 2018 for female employees with children. Two of these were held jointly with labor and management. At the gatherings, childcare facilities were provided so that employees currently on childcare leave could also join in discussions on issues and goals related to balancing work with child-raising.



Reappointment Guidance Session (Seven-Eleven Japan)

Career Development Support for Women

At Seven & i Holdings, the Women's Management Community meetings have been held since 2012 as a group-wide initiative to create a network of female managers and further refine managerial abilities. The community held a total of 19 seminars through to the end of February 29, 2016 and invited speakers from inside and outside the Company and held seminars on management knowledge and skills needed to advance to a higher position. In June 2017, the Company started holding the new "Nadeshiko Academy" for developing future managers. The program was conducted a total of eight times through February 28, 2019, with approximately 1,200 employees participating from Group companies.

At Ito-Yokado, training was held for young female staff to cultivate management knowledge and foster career awareness. In fiscal 2018, 20 female employees participated. At Seven & i Food Systems, a career design seminar was held for young female employees in their 20s, with 15 women participating in fiscal 2018.



Nadeshiko Academy

Promotion of Participation in Housework and Child-Raising by Men

At Seven & i Holdings, the Ikumen (child-raising men) Promotion Program has been implemented as a group-wide initiative since 2013. Under this program, outside lecturers are invited to speak, supporting changes in awareness among men and promoting review and revision of existing work styles.

From 2018, we have been holding cooking courses for men with the aim of encouraging even greater participation in housework.

Seven-Eleven Japan has also prepared a Working Father's Guidebook introducing an outline of systems available for childcare leave and methods of utilizing such systems. By enabling employees to view this guidebook at any time, the Company is aiming to promote the participation of men in child-raising.

[See here for details on the promotion of the use of childcare leave among male employees](#) 



Ikumen Promotion Program



A cooking course for men

Training and Awareness-raising for Management

At Seven & i Holdings, the Diversity Management Seminars have been held since 2014 as an initiative for the Seven & i Group as a whole to emphasize the importance of diversity and inclusion and to change the awareness of managers on the management of diverse human resources. The seminars have been held 15 times as of February 28 2018, and approximately 4,600 people from all Group companies have participated. Led by outside lecturers, the seminars cover such issues as management of diverse staff members, reforming work formats, and leadership. They provide the opportunity for managers to think about diversity from a number of different perspectives. In June 2017, to mark the fifth year since the launch of the Diversity Promotion Project, lecturers were invited from leading companies to “Seven & i Diversity Day 2017.” The event was attended by around 400 CEOs and management team members from 21 Group company.

The Diversity Management Handbook is also distributed to managers at all Group companies to promote communication with staff members working to balance work and childcare or family care responsibilities in order to further train managers to make good use of their diverse human resources to generate results.

Seven-Eleven Japan has published Diversity Tsushin each month since 2017. The aim of this initiative is to share information with all employees including management level employees, and to foster awareness regarding diversity including the significance of diversity management, knowledge on LGBT and understanding of systems for supporting balance. In its hierarchy-based executive training, Ito-Yokado is implementing sessions on understanding systems for supporting balance between child-raising and family support with work, as well as methods of using such systems and the management of diverse subordinates. Three such sessions were held in fiscal 2018, with 187 executives attending.



A Diversity Management Seminar

Addressing LGBT Issues

Seven & i Holdings revised the Corporate Action Guidelines in 2016 and began implementing measures referred to as “Forbidding Discrimination Due to Sexual Orientation or Sexual Identity”. In 2017 and 2018, we conducted a seminar for promoting understanding of LGBT led by an outside speaker, and a total of 302 employees from 17 Group companies attended. In 2018, e-learning was conducted for domestic group employees, with approximately 17,000 employees studying the course. The Group newsletter distributed to group employees is being used to continuously raise awareness, including a special feature with basic information on LGBT.

SEJ had a booth for the first time at Tokyo Rainbow Pride held in May 2018, the largest-scale LGBT awareness-raising event in Japan. We emphasized our status as an LGBT-friendly company by issuing and selling “Ally nanaco” cards and were highly evaluated, receiving many opinions and impressions. In October, in evaluation of our initiatives up to this point, Seven-Eleven Japan was recognized with the highest “Gold” rank on the PRIDE Index, the only indicator for corporate LGBT initiatives within Japan. We are also proactively participating in external events as an LGBT-friendly company. We are also expanding our activities in regional communities, holding a display at Kyushu Rainbow Pride in November. In April 2019, we held a display for the second time at Tokyo Rainbow Pride 2019. With many volunteers from within the company also participating, free and open-hearted communication enabled guests to experience the convenience of original Seven-Eleven products.



SEJ's booth at Tokyo Rainbow Pride 2019



PRIDE Index: Gold 2018

Recognition by Outside Parties

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

Major recognition by outside parties

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



Runner Up Nadeshiko 2019

Moreover, Seven & i Holdings acquired third rank – the highest – in the "L-Boshi" Designation for gender-advanced companies based on the Act on the Promotion of Women's Participation and Advancement in the Workplace. We achieved the designation standard in all five evaluation categories: recruitment, career continuation, work style factors such as working hours, management ratio, and diversity of career paths. Similarly, IY, Sogo & Seibu, Seven Bank, Seven Card Services, Seven Financial Service, Nissen, and Nissen Life have also obtained third rank, and Seven & i Food Systems has obtained second rank. (As of February 28, 2019)



Third rank



Second rank

"L-boshi" certification mark

Promoting Employment of People with Disabilities

Seven & i Holdings is assisting people with disabilities to demonstrate their abilities at their workplaces based on its commitment to providing an environment where everyone can play an active role. To this end, all operating companies consult with employees with disabilities to determine the workplaces, jobs and working hours that are suitable in consideration of the level and details of their disability and their own preferences. In this way, people with disabilities work in various divisions.

In recruitment, we coordinate with special-needs schools to provide onsite training in stores and participate in job interviews organized by local employment agencies and partner with vocational schools. Furthermore, all Group companies are provided with the Seven & i Holdings Normalization Support Guide, which contains basic knowledge and practical recruitment methods when employing people with disabilities, to ensure that all people who are responsible for recruitment and education at Group companies are aware of considerations regarding disabilities and that they implement them.

Furthermore, Terube, Ltd.*1, which is a special subsidiary established to foster the employment of people with severe disabilities, employs 20 people with disabilities as of June 1, 2019, making the Group's employment rate of people with disabilities*2, including those employed by Terube, 2.84%. The goal for the fiscal year ended February 29, 2020 is 2.75%.

In the 23 years since its establishment, Terube has sought to create work environments amenable to people with disabilities and has been recognized for its efforts to practice normalization. It is noteworthy that Terube became the first company to be certified as an Employer of Persons with Disabilities in 2017, the first year that certifications were issued.

*1 Established in 1994 through joint investments from Seven & i Holdings, SEJ, IY, YB, Seven & i Food Systems, and the City of Kitami in Hokkaido Prefecture. The company offers secure, long-term employment for people with disabilities and carries out activities to raise awareness about the concept of normalization.

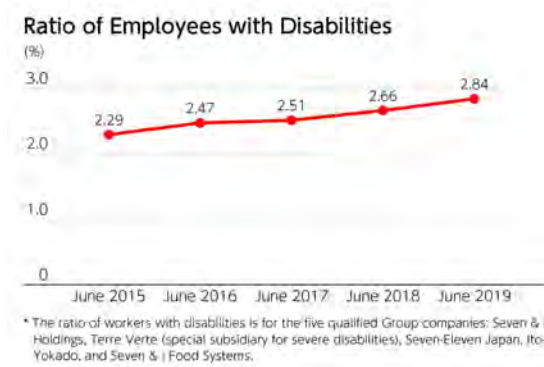
*2 The Group's employment rate of people with disabilities covers the five companies of Seven & i Holdings, Terube, SEJ, IY, and Seven & i Food Systems.



Special subsidiary, Terube Ltd.



The first company certified as an Employer of Persons with Disabilities



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

Seven-Eleven Japan is implementing employment support training involving “Seven-Eleven Work Experience” for teachers and students at special-needs schools as part of its support for the employment of people with disabilities in collaboration with administrative authorities throughout Japan. Currently, it has implemented such training in Hokkaido, Osaka, Kyoto and Fukuoka, with plans for expansion into more areas going forward.



Employment support training involving “Seven-Eleven Work Experience”

Initiatives for “Universal Manners” on how to interact with a diverse range of people

Seven-Eleven Japan holds seminars for acquiring “Universal Manners Test Grade 3” as an opportunity to learn about basic interaction with a diverse range of people including elderly people, people with disabilities and non-Japanese employees. The seminars deepen employees’ understanding through lectures and group work on topics such as what universal manners are and how employees can show consideration for people who are different to them and act based on appropriate understanding. This initiative was started in July 2018. By the end of February 2019, 159 employees had achieved grade 3 certification. Going forward, we will promote the creation of environments in which it is easy for each individual employee to work.

Aiming to be Company Empowering Individuals

Seven-Eleven Japan has been qualified by the Ministry of Health, Labour and Welfare for providing measures to support employment stability for employees with disabilities in accordance with the Act on Employment Promotion etc. of Persons with Disabilities . Various initiatives have been promoted, with 88 employees certified as “Employment Counselor for People with Disabilities” and 10 employees certified as “Job Coaches (in-house workplace adjustment supporters)” as of the end of February 2019,

Support for Participation of Seniors and Non-Japanese Employees

Seven & i Group companies have a system for rehiring employees after mandatory retirement, providing an opportunity for veteran employees to use their skills and abilities. At IY, for example, a re-employment system that allows people to continue working until age 65 was introduced in 1995 in response to employees who said they wanted to continue working after the mandatory retirement age. Employees can select from three options of working days and hours to suit their wishes, enabling them to work in diverse ways. From April 2006, the Senior Partner System was implemented to allow part-time employees to work until age 65 as well. As of the end of February 2019, 6,653 senior partners are active in the company. The system was also expanded in May 2017 to enable people to continue working up to the age of 70.

With the birthrate declining, society aging, and the working-age population decreasing, SEJ is creating employment opportunities for seniors who want to work. The Company actively participates in joint company presentations on senior employment held by municipalities and promotes the hiring of seniors. For people concerned about working at a convenience store, SEJ strives to provide detailed information and maintain conditions that are conducive to working with confidence.

The ratio of employees with non-Japanese nationality working at stores is also increasing, with the national average reaching approximately 8.9% as of the end of February 2019, accounting for approximately 34,000 employees.

The Company provides support not only for seniors but also for foreign students and non-Japanese employees by means of training.



A briefing for senior employees

Independent Support System for People Hoping to Migrate

Seven-Eleven Japan has started an Independent Support System for People Hoping to Migrate that supports people thinking about moving back to their hometown to start a business or wanting to move to an area for reasons such as seeking a better child-raising or living environment. By supporting the migration of people who want to start a Seven-Eleven business in a local area or similar through, for example, providing moving costs or the costs of accommodation and transport when going to confirm properties, we are contributing to reviving local communities through the creation of shopping spots and employment opportunities.

Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

Achieving Work-Life Balance

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



Enhancing Systems for Diverse Workstyles

The Seven & i Group has implemented various systems that go beyond legal minimums to enable employees, including part timers, to continue working with peace of mind while engaging in childcare or nursing care.

For example, at Ito-Yokado, which has some 40,000 employees, the most among the Group’s operating companies, there is a childbirth and childcare program and a family care program that can be utilized by employees, both men and women, who have worked at the company for at least a year; the programs are also available to part-time employees. The programs may be freely selected for use by individual employees, and combining a leave program with a reduced work hours plan is also possible.

Ito-Yokado’s Childcare and Family Care Assistance Systems

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

Support for child-rearing by employees

SEJ began the "Spot Day Care" initiative in October 2016 to support the careers of employees with small children.

At SEJ, the franchise chain headquarters, holidays and the New Year vacation period, which are peak times for stores, are basically working days. However, for employees raising small children, it can be difficult to find day care on holidays, over New Year, and during other extended vacation periods, so this initiative establishes temporary day care facilities in company meeting rooms and at facilities near the Company's business offices.

It was started on a trial basis at four business offices, and starting in May 2017 it was put into full operation and extended to 27 offices, with the aim going forward for expansion nationwide. As of the end of the fiscal year ended February 28, 2019, a total of 1,016 employees had utilized the system, with a total of 1,301 children having been cared for at these facilities.

Spot Day Care was expanded to 14 Seven & i Group companies starting in May 2017, creating environments where employees can pursue their careers throughout the Group.

In October 2017, two Seven Nanairo Nursery Schools were opened in Ota-ku, Tokyo, and Hiroshima City. These facilities are available for use by Seven- Eleven store operators and employees as well as local residents and SEJ employees. An additional school was opened in Sendai City in July 2018, and in Machida City, Tokyo and Kyoto City in June 2019, with plans to open additional schools in stages.

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



At a Spot Day Care facility



The exterior of a Seven Nanairo Nursery School

Promotion of Childcare Leave-taking by Men

To promote greater participation by men in childcare, a childcare leave program has been introduced at Seven & i Group companies since 2014. The program provides five special vacation days per year that can be used in one-day increments to employees with pre-school aged children. Since the program was started, it has been used by many employees for various reasons involving their children, such as when their spouse gives birth, or to attend kindergarten entrance and graduation ceremonies or participate in field day events. In the fiscal year ended February 28, 2019, 45 male employees took childcare leave at Seven & i Holdings, along with 592 at SEJ, and 467 at Ito-Yokado.

The Seven & i Group is also taking measures to encourage male employees to take childcare leave including producing and displaying posters targeting male managers and leave-takers.

男性も思いきって 育児休業 とりませんか？

子どもが1歳になるまでの間(一定の場合には、1歳6ヶ月に達するまで)、
育児休業の取得が可能です。

子育ての中で、新たな視点やビジネスのヒントが生まれます。

それも一つの

「ワークライフ・シナジー」です。

特に男性が子どもの時間を増やすためには

上司・同僚のバックアップが必須です。

ぜひ、職場全体で考えてみてください。



セブン&アイグループ
ダイバーシティ推進プロジェクト

A poster encouraging male employees to take childcare leave

育児休業を とらせて下さい。

職場全体でバックアップする環境を整えましょう。

子どもが1歳になるまでの間(一定の場合には、1歳6ヶ月に達するまで)、

育児休業の取得が可能です。

子育ての中で、新たな視点や

ビジネスのヒントが生まれます。

それも一つの

「ワークライフ・シナジー」。

ぜひ子どもとふれあう時間を

大切にしてください。



セブン&アイグループ
ダイバーシティ
推進プロジェクト

A poster targeting managers

Recognition by Outside Parties of Support for Childcare

Ito-Yokado has become the first company in the Tokyo Metropolitan Area to receive “Platinum Kurumin” Mark certification from the Ministry of Health, Labour and Welfare, following a revision of the Act on Advancement of Measures to Support Raising Next-Generation Children in June 2015. “Platinum Kurumin” is awarded to companies that have already received “Kurumin” certification and have advanced use of systems to support balancing work with childcare to a significant degree while implementing measures at a high level. The system was established in 2015 to promote continued initiatives. Ito-Yokado has received the “Kurumin” certification twice, and has actively utilized its Re-Challenge Plan, a personnel system for supporting childcare to help workers balance work and childcare. Other initiatives include introducing childcare leave systems and holding opinion exchange events with employees who are involved in childcare, diversity seminars at store manager meetings, and promoting the taking of annual paid leave by employees, especially part-time workers. These activities were highly rated.

Seven & i Holdings, Seven-Eleven Japan, Sogo & Seibu, YorkBenimaru, Seven & i Food Systems and Seven Bank have received the “Kurumin” certification.

Corporate certification ceremony (June 2015)



Support for Balancing Jobs with Family Care Responsibilities

The Seven & i Group also works to help employees balance their jobs with family care responsibilities. A survey of family care responsibilities being provided by employees revealed that in the near future, approximately 70% of employees might have to balance work with nursing care, making this likely to become a major issue for the future. From 2015, we have been regularly holding Family Care Responsibility Seminars with external experts as prior preparation for handling such responsibilities. In 2016, we produced the Handbook for Helping Employees to Balance Work and Family Care Responsibilities, with a view to using it in training etc. at all Group operating companies to support the creation of working environments that make it easy to balance these commitments. Tools for conveying information on family care and preventing job separation as a result of family care for use at meetings and so on were distributed to Group companies in 2017, increasing opportunities for more employees to deepen their understanding regarding family care.

In addition, we are endeavoring to create environments that make it easy for employees to balance their job with family care responsibilities through efforts including actively informing employees about a consultation desk and writing about case examples of balancing such responsibilities with work in the company newsletter.

System to Allow Telework

Seven Bank and Nissen Holdings group companies established a telework system that allows employees to continue to perform their jobs if they have difficulty commuting due to pregnancy, childcare or family care responsibilities, an injury or other reason.

Restricting Long Working Hours

Seven & i Group conducts various initiatives to restrict long working hours. The internal newsletter distributed to the Group's approximately 70,000 employees contains a monthly column on working styles to raise awareness, and in our Diversity Management Seminars conducted since 2014, there are lectures by specialists and presentations on progressive initiatives at other companies related to work styles. Around 5,400 employees from Group companies have attended 19 seminars as of the end of February 2019. Many of the seminar participants work to increase communication with their subordinates and take further action to improve working styles.

Implementation of Sliding Work Hours

Seven & i Holdings and SEJ have implemented a system for staggered commuting times and sliding work hours from spring 2018 enabling employees to select their work times based on private reasons. Employees are eligible to select 8 a.m., 9 a.m., or 10 a.m. as their work start times. The aim of this is to allow employees to select their own work start time, thereby promoting active and efficient work styles. SEJ has achieved utilization results of over 80% for the staff department in particular, and this effort is leading to enhanced private time for staff as well as reduced commuting burdens.

Implementation of Sliding Work Hours

In July 2017, Seven & i Holdings and SEJ collaborated with Tokyo-based Jisa Biz to conduct a trial of staggered commuting times. Employees at the Head Office and offices in the Tokyo region were eligible to select 8 a.m., 9 a.m., or 10 a.m. as their morning work start times. The result was a decrease in overtime throughout the company. SEJ received the Jisa Biz Promotion Award in the Promotion Category from the Tokyo Metropolitan Government for this initiative.

After verifying the results of the trial introduction, Seven & i Holdings and SEJ established formal programs and introduced them on a full scale in March and April 2018 respectively. In November 2016, SEJ established a program to encourage employees to take time off (six days per year) in addition to special holidays designated by the company.

Implementation of Volunteer Leave System

To support employee participation in local community activities for people with disabilities, family care support, environmental beautification, disaster reconstruction support, and other objectives, Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York Mart, Seven & i Food Systems, and Seven Bank have instituted a volunteer leave system under which employees can take five days off per year for volunteer work. In the fiscal year ended February 28, 2019, 16 Group employees took volunteer leave.

Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

Support for Fostering More Capable Employees

Seven & i Holdings conducts human resources development with training systems refined by Group companies to match their respective business characteristics and supports the skill development of each individual employee.



Establishment and Refinement of Training Systems

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

For example, at IY, new employee training is held for all employees, including part-time employees, to teach company policies, retail fundamentals, and skills and knowledge required for work. Further, training leading to OJT at stores is continuously held to provide basic knowledge of products handled by affiliated division and to improve skills related to customer service and fresh food preparation. In this way, the company assists employees in upgrading their skills. Additionally, training is also held for everyone from new hires to sales floor staff, sales floor managers, division managers, and store managers, to provide knowledge of sales floor management and management skills in stages and in line with their respective positions. Training is also carried out beforehand to improve their skills in preparation for their next positions.

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



Employees in training

IY Training System

Position	Training content	Information sharing
Part-time employee	Training for new employees	Personal development support (correspondence courses, Eco Test etc.)
	Fresh food preparation training	
New employees	Training for new employees	
	Cash register & service training	
	Item-by-Item management training	
	Divisional training	
Floor staff	Fresh food preparation training	
	Step-up training	
Floor managers	New manager training	
	Fresh food preparation training	
	Step-up training	
Division managers	New manager training	
	Step-up training	
Store managers	New manager training	
	Store manager school	
	IY management school (YogaJuku)	
		Group training for new employees
		Floor manager conferences
		Division manager conferences
		Store manager conferences

Establishment of Training Facilities

Seven & i Holdings established the Ito Training Center in Yokohama, Kanagawa Prefecture in March 2012 to support the acquisition of technical knowledge on sales, food preparation, and other areas to match business characteristics. Another function is to communicate the Group's founding spirit and nurture the next generation of human resources. The training center is equipped with meeting rooms as well as skills rooms for personnel that handle fresh fish, meat, and produce (including delicatessen items, fresh fish, sushi, fresh meat, and produce) cash register practice rooms, and display practice rooms with recreated sales areas. A historical materials room is provided to help communicate the founding spirit and corporate philosophy. There is also an accommodation facility within the training center with 65 rooms for overnight stays, including four universal design rooms that are wheelchair-accessible.



The Ito Training Center

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

Open Recruitment System for Human Resources

Seven & i Holdings implements an open recruitment system for human resources that encompasses all of its operating companies. The system is designed to respect the will of each individual employee and ensure the right person is placed in the right job to fully leverage their abilities and to invigorate the organization. Full-time employees at participating companies who have been performing their current duties and have been in their current positions for at least two years are eligible to apply. Group companies have also instituted internal recruitment systems. For example, at IY, employees who have worked at the company for at least one year can become candidates for managerial positions and jobs regardless of business experience or seniority. In the fiscal year ended February 28, 2019, 202 people applied through this system and 35 were appointed to their preferred positions or jobs.

Going forward, we intend to further enhance the conditions that raise motivation and allow employees to fully demonstrate their abilities.

Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

Assuring Fair Assessment and Treatment of Employees

Seven & i Holdings implements various assessment systems for employees to maximize their individual abilities and ensure fair assessments free of unreasonable discrimination due to social status, place of birth, race, creed, gender, and so on.



Ensuring Fairness through Self-Evaluations

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

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

Implementation of Management Checks

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

Employee Compensation System

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

Selection of Various Work Styles

Seven & i Holdings' operating companies also focus on establishing systems that allow employees to choose various work styles to increase their motivation for work. For example, IY has a program enabling part-timers to choose from diverse working styles. Under this system, part-timers may elect to step up a rank after acquiring a certain level of evaluation and sales skill. There is also a program in place where part-timers designated as highest level can be hired as a monthly salaried permanent employee or contract worker. To date (as of February 28, 2019), 164 part-timers have become monthly salaried permanent employees.

A large number of part-timers have also been hired on in managerial roles, such as sales floor managers. This initiative has received formal recognition as IY received the grand prize (Health, Labour and Welfare Minister's Award) at the Awards for Enterprises Promoting Part-time Workers to Play Active Roles at Work, which was established in the fiscal year ended February 29, 2016 by the Ministry of Health, Labour and Welfare.

IY Step Up Elective System



Award ceremony (January 2016)

Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

Consideration for Employee Health and Occupational Safety and Health

Seven & i Holdings conducts a variety of initiatives for the Group's sustainable growth and promoting the health of local communities, including formulating the Seven & i Health Declaration NEXT that states three goals, and convening safety and health committees for the purpose of maintaining comfortable working conditions.



Three Goals of the Seven & i Health Declaration NEXT

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

<Message from the President>

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

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

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

Promoting the health of employees will be the foundation for improving individual QOL, widen opportunities for further participation by each person at work, and become the source of our Group's sustainable growth.

In addition, based on the basic principle of providing safe and reliable products, we will work to support the health of the customers who use our Group's stores and products on a regular basis, and also contribute toward promoting the health of local communities through measures such as product development that works on reducing additives while being particular about taste and quality; being thorough in the labelling of food ingredients which is of high concern to customers; development and provision of products supporting health; and support for healthy dietary habits and dietary education.

Going forward, Seven & i Holdings will deepen our initiatives contributing to the healthy growth and development of people's lives and society from the viewpoint of being close to daily lives, and aim to be a Company that is trusted and needed by employees and society.

October 2019

Ryuichi Isaka

President and Representative Director

Specific Initiatives of the Seven & i Health Declaration NEXT

【Initiatives for individuals】

Theme 1: Initiatives for maintaining health, preventing illnesses, and returning to health

Details : Understand health issues, and carry out initiatives toward improvement

- Enhancement of regular health checks
- Initiatives for preventing illnesses and early discovery of illnesses
- Measures for the prevention of lifestyle diseases
- Initiatives for reduction of smoking rate

Theme 2: Initiatives for promoting health that also utilizes IT

Details : Develop health awareness using IT (wearables and apps)

【Initiatives for workplaces】

Theme 1: Comfortable working conditions where people can work with healthy minds and bodies

Details : Promote work-life balance through putting in place appropriate labor environments

- Improvement of working hours
- Encouraging employees to take days off on holidays and acquire leave, and effectively utilizing them

Initiatives for improving mental and physical health

- Understanding organizational issues using surveys and initiatives toward improvement
- Preventing mental illness through conduct of mental health training

Initiatives for promoting communication

- Establishing workplace environment toward enlivening communication within the company
- Conducting events for employee interaction

Initiatives for establishing environments and support for balancing work and recuperation

Theme 2: Establishment of healthy and comfortable working environments

Details : Establish working environments toward prevention of passive smoking

- Establishing environments that prohibit smoking/ separate smoking areas from non-smoking areas
- Installation of spaces for relaxation

- Installing spaces for relaxation that anyone can easily use

Initiatives for establishing working environments and rescue toward prevention of workplace accidents

- Thoroughly preventing workplace accidents and deeply enrooting first aid knowledge

【Initiatives for society】

Theme 1: Initiatives to support health in society—contributing to SDGs

Details : Develop safe and reliable products

- Reducing use of food additives
- Labeling of nutritional components and allergy information

Development and provision of health support products

- Expanding the “Good Health Starts with this Hand” series (Seven-Eleven)
- Developing and deploying products under the Seven Premium health series

Support for healthy dietary habits through various ways

- Providing information on healthy dietary habits through cooking support (Ito-Yokado)
- Supporting dietary habits through meal kits and frozen foods

Initiatives to support health in collaboration with local governments

- Conducting health events using event spaces of stores

Initiatives for the Group's sustainable growth and Promoting the health of local communities

When employees are healthy both mentally and physically, it not only makes their own lives more fulfilling but is also a source of vitality for the Company, and makes management more efficient. Based on this understanding, Seven & i Holdings launched the "Seven & i Health Declaration 2018" in October 2014 in partnership with Seven & i Holdings Health Insurance Union. To further strengthen initiatives, the "Seven & i Health Declaration NEXT" was formulated in October 2019. Promotion of health and productivity management was incorporated into the Corporate Ethics and Culture Subcommittee under the CSR Management Committee chaired by the President and Representative Director of Seven & i Holdings, and various measures are being promoted in collaboration with human resources and labor relations supervisors at each Group company, led by the Seven & i Holdings Personnel Planning Dept., Health Management Center and Health Insurance Union.

The Seven & i Health Declaration NEXT establishes targets in such areas as reducing the risk of lifestyle diseases, reducing the smoking rate, improving the percentage of annual paid leave taken, and reducing long working hours. The MY HEALTH WEB Health Management System, a portal website, is being used as a support measure for these targets. We also hold mental health training and health-themed events, offer low-calorie, low-sodium menu items at the staff cafeteria, and provide health-related information through internal Group newsletters and other media, and help employees maintain and manage their own health to raise awareness about health.

The MY HEALTH WEB Health Management System in particular allows individuals to browse the past five years of their own health checkup data on the Internet, and serves as a tool for checking and goal-setting on health status, and for receiving advice on how to improve health. It also has an environment which allows use through a smartphone app.

Furthermore, Group companies have taken steps to implement appropriate health and productivity management based on the Industrial Safety and Health Act by ensuring that all employees receive regular health checks and follow up on the results, as well as making sure that stress checks are implemented for everyone.

Seven & i Health Declaration NEXT

Targets	Specific Targets to Be Achieved by March 31, 2023				
1. Control to achieve appropriate bodyweight	Ratio of People with a BMI over 25*1				
		FY2016	FY2017	FY2018	March 31, 2023 Target
	Male	34.6%	35.5%	37.6%	28% or less
	Female	25.0%	25.6%	26.8%	18% or less
2. Reduce smoking rate	Overall Employee Smoking Rate*1				
		FY2016	FY2017	FY2018	March 31, 2023 Target
	Overall	31.3% (Male employees: 42.8%, female employees: 23.0%)	30.3% (Male employees: 41.3%, female employees: 22.7%)	29.3% (Male employees: 39.7%, female employees: 21.8%)	28% or less
3. Improve the percentage of annual paid leave taken	At least 70% for percentage of annual paid leave taken				
4. Reduce long working hours	Less than 5% for percentage of employees with long working hours (45 hours or more of overtime work in a month)				
5. Increase the number of health support products developed by the Company					
6. Increase the number of cooking support*2 with health as the theme					

※1 BMI and smoking data are totals for 23 Group companies participating in the Seven & i Holdings Health Insurance Society

※2 Proposal of menu items at stores

※1 BMI and smoking data are totals for 23 Group companies participating in the Seven & i Holdings Health Insurance Society

※2 Proposal of menu items at stores

Prevention of Workplace Accidents

Seven & i Holdings convenes safety and health committees at each Group company in accordance with laws and regulations and implements improvements to the workplace environment including working conditions, and also conducts measures to prevent workplace accidents. For example, at IY, training is conducted on the handling of knives and other implements for employees that work with fresh food products.

In addition, at Seven & i Food Systems, awareness-raising posters and other campaign materials are posted at stores three times a year to bring attention to the prevention of workplace accidents. At stores where workplace accidents have occurred, interviews are conducted and the causes of the accident and specific prevention measures are shared with other stores.

Workplace Accident Data for Eight Group Companies for the Fiscal Year Ended February 28, 2019

	Seven & i Holdings.	SEJ	IY	Sogo & Seibu	YB	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency	0.00	0.53	1.65	0.33	3.33	0.85	0.34	0.00
Workplace accident severity	0.00	0.03	0.04	0.01	0.01	0.03	0.04	0.00

* No workplace accidents resulted in deaths.

Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

Employee Engagement Survey

Seven & i Holdings conducts employee engagement surveys aimed at creating fulfilling workplaces.



Employee Engagement Survey

The employee engagement survey is an indexing of employees' feelings about doing one's best and not giving up until delivering results above expectations, with the "feeling that each and every employee is always playing a leading role" as well as having "pride and passion in everyone's own work."

In the fiscal year ended February 28, 2019, the survey was administered to approximately 35,000 employees at 28 companies in Japan,.

Results of the Employee Engagement Survey (Example)

- Percentage of employees with their own desire to contribute to the Company*

Male	50%
Female	43%
Overall	47%

*Results from the survey conducted in the fiscal year ended February 28, 2019. The degree of employees wanting to contribute to the Company on their own initiative is categorized into four levels, and the figures in the above table are the percentages of employees who "Have an extremely strong desire," "Have desire," and "Have some desire."

Promoting Improvement Activities

The survey results are reported to upper management, and at the same time, each Group company carries out their analysis of the survey results and organization of the issues. Going forward, improvement measures will be proposed based on the issues identified and gradually executed. At the same time, the Company plans to carry out validation at the next employee engagement survey.

Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

Sound Labor-Management Relations

Seven & i Holdings respects workers' rights such as the freedom of association, the right to organize and collective bargaining. In the Seven & i Group Corporate Action Guidelines, we have established the following principle: "The Company respects workers' rights, such as the right to organize, based on international norms and efforts to further improve the work environment."



Respect for Freedom of Association and Collective Bargaining

At Seven & i Holdings, the Group's 11* labor unions form the Federation of Seven & i Group Labor Unions, which as of March 2019 has approximately 59,000 members in 11 unions and a participation rate of 76.5% (Ito-Yokado labor union). The federation carries out a variety of activities for union members based on the thinking that "no water can be drawn from a dry well." It also coordinates activities by holding discussions on organizational management, labor conditions, and other issues pertaining to union members.

The member unions autonomously create their own independent organizations, and then they coordinate and join together for common causes. They complement one another's strengths and also work to improve shared labor conditions on a unified basis, which further reinforces both the individual unions and the federation itself. This is the basic approach through which activities are conducted. Seven & i Holdings and the labor unions work through numerous active discussions between labor and management to improve issues related to labor conditions and employees' workplace environments.

For example, at Ito-Yokado, the compensation system and labor conditions for union members and employees are discussed, and consultations between management and labor are considered valuable for solving issues and improving productivity. Promotion of recent workstyle reform is an example of collaboration between management and labor, and Ito-Yokado is taking steps to ensure that work rules are understood by everyone, promote the use of holidays and paid leave, improve the labor environment, and achieve a good work-life balance.

* The 11 companies are Ito-Yokado, York-Benimaru, York Mart, SHELL GARDEN, Marudai, Sanei, Sogo & Seibu, Seven & i Food Systems, Akachan Honpo, THE LOFT and Life Foods.

Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

Support for Childcare

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



Maternity and Childcare Counseling Service

Ito-Yokado and Sogo & Seibu provide maternity and childcare consultation offices (at 113 stores as of February 28, 2019) and Pre-Mama Stations (at 5 stores as of February 28, 2019). Here, public health nurses and midwives give counseling free of charge to pregnant women on their health and to mothers on childcare. They also provide rest areas equipped with booths for breastfeeding, hot-water, and toilets for children.



Childcare consultation office

Number of Ito-Yokado Childcare Consultations (Users)

FY2014	FY2015	FY2016	FY2017	FY2018
235,017	237,336	246,060	245,988	239,934

Childcare Support Events

Ito-Yokado holds a range of events to provide childcare advice and encourage parents to interact and socialize. The company also actively takes part in events with universities, municipalities and several product manufacturers to maintain and promote the health of mothers, offer techniques for relaxation and rejuvenation and provide helpful childcare-related information. The overarching theme of the events is “enjoyment at home through public-private-academic partnerships,” and through these events, we are helping to expand community childcare support networks.



A childcare support event sponsored by public-private-academic partnership

Supporting Career Education

To support career education at elementary, junior high, high schools, and universities, the Seven & i Group cooperates with requests from schools by sending out employees to each school, by providing workplace tours, and by holding workplace experience programs at its Group stores, where children have the chance to take part in conducting familiar retail store operations. For example, York Mart provides an opportunity to observe the food processing operations and to practice stocking the shelves in the store with products. Approximately 9,000 elementary and junior high school students participate each year. Ito-Yokado also conducts workplace experience programs at its stores where each year approximately 8,000 students can come up with and convey their own proposals by making coordination proposals and suggestions to customers through in-store sampling while experiencing firsthand the importance of complying with basic standards to ensure safety and confidence. Also, Seven & i Food Systems holds workplace experience programs where students can try working as the manager of a restaurant or learn about the importance of ingredients control and hospitality through actual experience. The program was attended by students from 106 schools in the fiscal year ended February 28, 2019. The Seven & i Group training facility, Ito Training Center, provides sales space creation and food processing experiences, as well as opportunities to provide service from various customer perspectives, such as helping customers in wheelchairs and so on. Through these experiences, the students can feel the value of working and the joy of interacting with customers.



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

Furthermore, SEJ has a store in Shinagawa Student City, which has been run jointly by Shinagawa Ward and Junior Achievement Japan since 2003. The concept of Shinagawa Student City is to create a virtual town inside an elementary school, with various companies setting up shops and providing experience of working and society. The children working in the 7-Eleven store experience customer service, sales space creation, and other operations to learn about the systems of society. In the fiscal year ended February 28, 2019, 2,484 elementary school students staffed our store and learned about the joys and challenges of working through customer service and retail sales.



Shinagawa Student City

Outreach Classes for Company-School Exchange

SEJ holds outreach classes at an elementary school in Tokyo's Suginami Ward in March 2019 as a part of the Yomiuri Education Network, which seeks to increase interactions between companies and schools. The class involves group work in which 7-Eleven stores are established in fictitious towns on a map. Through the group work, the children come to understand in a fun way the roles that 7-Eleven plays in society. At the same time, they learn about how the products and services of 7-Eleven—which aims to build stores that are convenient and close to people—have changed (CRM strategy* and response to SDGs) in accordance to the changes in society (changes in customers' needs). The class provides a good opportunity for children to think about their society from the everyday perspective of a convenience store.

*CRM: Customer Relationship Management

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



Outreach class in progress

Picture Book Storytelling Sessions

Seven Bank supports the publication of "Bonolon, Warrior of the Forest" (approximately one million copies on even months), a picture book that parents can read to their children to foster communication. The bank also distributes picture books free of charge, and regularly holds storytelling sessions by employees at children's centers and other places for children. Storytelling sessions are also held at Denny's restaurants, which are managed by Seven & i Food Systems.



Storytelling session led by employee volunteers

Support for Dietary Education

The Seven & i Group promotes dietary education activities for children to raise people who understand foods through various experiences and can practice sound and healthy dietary habits.

For example, Seven & i Food Systems distributes a booklet called “Bonolon and Food” at its chain of Denny’s restaurants. The booklet contains important information about food manners and knowledge and teaches children about the correct eating habits using games and quizzes. In addition, dietary education classes for children were held a total of eight times at four Denny’s restaurants in the fiscal year ended February 28, 2019. These are opportunities for children to learn about how to use chopsticks, how to use knives, forks, and spoons, and other basic table manners. They are also opportunities to learn about vegetables in an enjoyable way through explanations using ingredient-themed panels and quizzes.



©NSP 2005, © Together with Bonolon, 2007
Free dietary education booklet “Bonolon and Food”



Dietary education class

Donating Shoes to Children in Zambia

Sogo & Seibu works with the Japanese Organization for International Cooperation in Family Planning (JOICFP)* on a project for sending shoes to children in Zambia. The company has established areas to accept children’s shoes donations in all of its stores. The shoes they receive from customers help to prevent tetanus and parasitic infections resulting from foot injuries to children with bare feet. They are sent through JOICFP to children in Zambia. As of February 28, 2019, Sogo & Seibu had sent about 860,000 pairs of shoes since 2009.

* JOICFP is an international cooperation NGO that was started in Japan to protect the health and lives of women and children in the developing world.



Cooperation with the White Ribbon Campaign

Akachan Honpo and Sogo & Seibu have been providing sponsorship for the White Ribbon Campaign launched by JOICFP to protect the health of pregnant women and babies throughout the world. The Group companies have been working in partnership with JOICFP on the Community Safe Motherhood Project (which involves the donation of funds to establish Maternity Waiting Houses in Zambia). Besides accepting donations on behalf of JOICFP through its stores and online, the two companies have also installed 61 White Ribbon Campaign Vending Machines at locations throughout Japan (Akachan Honpo 45 machines, Sogo & Seibu 16 machines) as of February 28, 2019. For every beverage purchased from one of these machines, the companies donate ¥2 to JOICFP (¥1 from the beverage manufacturer and ¥1 from the store where the machine is installed). In addition, Sogo & Seibu has created a White Ribbon pin badge for sale, from which all proceeds are donated to the White Ribbon Campaign.



A White Ribbon beverage vending machine



A White Ribbon pin badge

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.

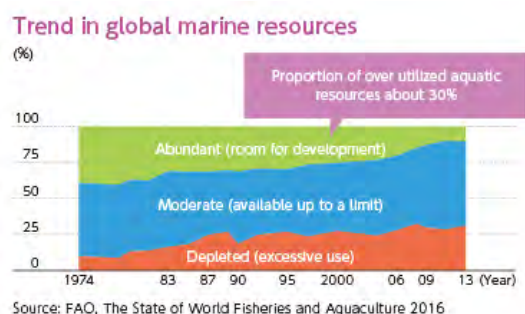
In every process from procuring raw materials for products to delivering products to customers, Seven & i Holdings believes that it must not only comply with laws and regulations, but it must also supply valuable products that show consideration for society and the environment. This will contribute to 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

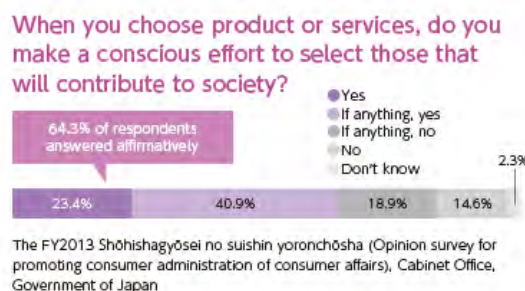
Decline and Depletion of Fisheries Resources

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.

[> More](#)

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

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.

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

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

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

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.

Social Contribution Activities

The Seven & i Group fulfills its responsibilities as a member of many local communities by fostering coordination and cooperation with each community. At the same time, the Group supports society overall by contributing to community development and the creation of prosperous living environments through its businesses, in conjunction with making appropriate donations in consideration of the benefits to society and the general public.

In social contribution activities, the Sustainability Development Department promotes activities in coordination with relevant departments in each Group company under the leadership of the Director Executive Officer Head of Corporate Communication Division of Seven & i Holdings.

Social Contribution Activities Costs (Fiscal Year Ended February 28, 2019)

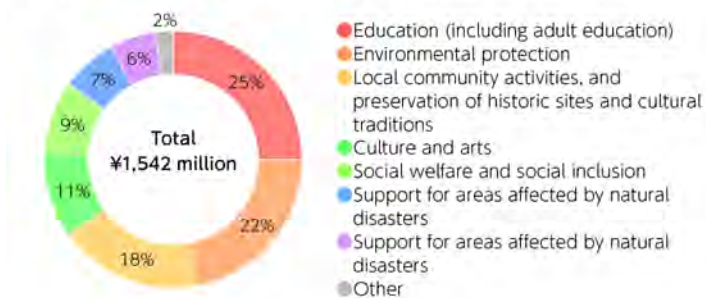
The social contribution activities provided by the Seven & i Group in the fiscal year ended February 28, 2019, including the provision of financial assistance or the donation of goods, and the personnel costs of employees involved in these activities, amounted to a total of ¥1.541995 billion when converted into monetary terms. Of this total, cash donations were approximately ¥0.32 billion.

Social contribution activities costs in the fiscal year ended February 28, 2019

(Thousands of yen)

Category	Amount
Administration cost	1,046,126
Cash donations	320,132
Personnel costs of employees participating in activities during work hours	97,617
Donation of goods	56,396
Cost of providing access to company facilities	21,724
Total	1,541,995

Social contribution activities cost in the fiscal year ended February 28, 2018



* Total for Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, Seven & i Food Systems, Seven Bank, York Mart, and Akachan Honpo (these nine companies make up 95% of the Group's sales in Japan). Calculated based on Fiscal 2011 Key Points Regarding the Implementation of Social Contribution Activity Surveys (Keidanren (Japan Business Federation)). However, political contributions are excluded.

Effect Measurement Method

Seven & i Holdings seeks to mitigate the environmental impact associated with its business activities and to contribute to making a better society through those activities. When selecting external partners for activities, we always ensure that they have a philosophy that is compatible with our own, and that they have sufficient specialist expertise.

We measure the effect of our social contribution activities based on four perspectives. Moreover, we plan to revise our measurement methods in the future to enable an even more accurate measurement of the inputs for an activity, the respective outputs for the Company and society after the activity, and the final impacts on the Company and society, respectively.



Effect Measurement Method	Detail
1. Verification of the Social Contribution Activity Cost Over One Year	The activity cost is verified by type and format of activity.
2. Verification with KPIs	The effect of the initiatives is measured numerically against established key performance indicators (KPIs). For example, we conduct "shopping support" services to assist seniors (Seven-Meal, Net Supermarket, mobile store service, etc.) The effect of these activities is verified by using the number of stores involved, the number of operational vehicles, the amount of sales, and other metrics as KPIs. In addition to these numbers, we also reflect feedback from service users in our planning for the following fiscal year. ➤ Further details about shopping support can be found here
3. Dialogue with Organizations We Support	We confirm the results of activities reported by NPOs and other organizations to which we give financial assistance. We verify the effects of activities based on reported information such as the number of beneficiaries and the positive impact on them, as well as direct feedback obtained through dialogue with the assisted organizations. We also refer to these reports and feedback when deciding on the next round of recipients and projects that we will assist.
4. Survey of Employees Who Participate in Activities	We conduct questionnaire surveys of employees who participated as volunteers in activities we have planned, asking them about their level of satisfaction with the activity and points for improvement. The results are used to measure the effect of the activity and in planning our next activities.
5. Survey of Employees Overall	Every second year we conduct an Employee Opinion Survey of a sample of employees from 29 Group companies. (Certain companies conduct sampling surveys.) Through the results of the survey, we confirm employees' awareness of their own companies. The results are used in our verification of the activities for two years, and for formulating plans for the next period. ■ Sample question: I believe my company: <ul style="list-style-type: none"> ● Builds good relationships with local communities. ● Conducts environmentally friendly business activities. ● Is actively engaged in social contribution activities. ➤ Further details about the Employee Awareness Survey can be found here

Encouraging Employee Participation in Social Contribution Activities

Seven & i Holdings believes that employee participation in social contribution activities is also crucial. Based on this belief, we plan and implement activities such as opportunities to experience nature and disaster reconstruction support programs. Moreover, to encourage employee participation in volunteer activities, Seven-Eleven Japan, Ito-Yokado, Seven & i Food Systems and Seven Bank have instituted a volunteer leave system under which employees can take five days off per year for volunteer work. At Ito-Yokado, part-time workers may also take volunteer leave.

Placing Collection Boxes in Stores to Help Solve Social Issues

In March 2016, Ito-Yokado commenced activities to encourage customers and employees to donate funds throughout the year by placing collection boxes next to almost all of its POS registers nationwide. This fund collection drive is the first of its kind to be held at a superstore chain throughout the year and is being undertaken to help solve various social issues on a revolving basis every three months.

In the fiscal year ended February 28, 2019, donations for this storefront fund collection drive collected from customers and employees totaled ¥37,735,815.

Fund Collection Results for the Fiscal Year Ended February 28, 2019

(Yen)

Implementation Period	Days	Fund Detail	Amount
March 1 to May 31	92	Fund to Support Children's Futures	4,183,599
June 1 to August 31	77	National Federation of All Japan Guide Dog Training Institutions	2,851,113
(During the above period, July 9 to September 3)	56	Fund for Heavy Rain Event of July 2018	16,918,366
September 1 to November 30	61	India Child Labor Fund	3,355,922
(During the above period, September 7 to October 4)	14	Fund for 2018 Typhoon No. 21 and Hokkaido Eastern Iburi Earthquake	6,379,551
December 1 to February 28	90	Fund to Support Reconstruction after the Great East Japan Earthquake	4,047,264

Support for Training Guide Dogs

Seven & i Group companies support the training of guide dogs for the visually-impaired and collect donations for this purpose at Ito-Yokado, Sogo & Seibu, and York Mart stores.

Sogo & Seibu has placed permanent dog-shaped fund collection boxes at all stores to encourage customers to support guide dog training activities. In addition to in-store donations collected from customers, Sogo & Seibu makes donations collected through the "Woof! Coin Club," which accepts monthly voluntary donations by employees, and the Sogo & Seibu Fund set up by the company and its labor union (cumulative donations from March 2003 to February 28, 2019 were ¥611.00 million). Besides fund collection activities, Sogo & Seibu also conducts awareness-raising activities for customers. All Sogo & Seibu stores conduct events twice a year in the spring and autumn to improve public understanding toward people with visual impairments and their guide dogs.

In addition, York Mart organized events in June 2018 at two stores where people can come into contact with guide dogs for the visually-impaired. These events widen understanding of guide dogs, and lead to the creation of safe and reliable stores.



Social Contribution Activities through Donation of Products

Since August 2017, SEJ has been donating a portion of product inventories—except fresh foods and products requiring permits such as alcohol, cigarettes, and stamps—that arise during renovation and such of stores to Second Harvest Japan, a foodbank organization.

In addition, SEJ signed a three-party agreement with Yokohama City and the Yokohama City Council of Social Welfare in April 2018 and began a similar initiative. As of February 28, 2019, this initiative has been expanded to nine municipalities. The donated products are distributed to organization and facilities that support people such as seniors, persons with disabilities, children, and the needy, leading to the promotion of social welfare and reduction of food loss.



Social contribution through donation of food

Overseas Initiatives

Business Operations in North America

Seven & i Holdings operates convenience stores in North America.

7-Eleven, Inc.



Net sales: ¥3,993,259 million (Total store sales)
Number of stores: 8,951

[> More](#)

SEVEN-ELEVEN HAWAII, INC.



Net sales: ¥34,235 million
Number of stores: 64

[> More](#)

* Exchange rate USD1 = ¥112.57

* Number of stores as of December 31, 2018

Initiatives in China

Seven & i Holdings operates convenience stores and superstores in China.

Convenience Store Business

[> More](#)

SEVEN-ELEVEN (BEIJING)



Net sales: ¥26,399 million
Number of stores: 266
Established: January 2004

SEVEN-ELEVEN (TIANJIN)



Net sales: ¥5,190 million
Number of stores: 155
Established: November 2012

SEVEN-ELEVEN (CHENGDU)



Net sales: ¥4,815 million Number of stores:
77 Established: December 2010

Superstore Business

[> More](#)

Chengdu Ito-Yokado Co., Ltd.



Net sales: ¥70,529 million
Number of stores: 8
Established: December 1996

Hua Tang Yokado Commercial Co., Ltd.



Net sales: ¥4,777 million
Number of stores: 1
Established: September 1997

* Exchange rate of CNY1 = ¥15.86

* Net sales does not include value added tax

* Number of stores as of December 31, 2018

7-Eleven, Inc.

Reducing Environmental Impact

7-Eleven, Inc. remains focused on doing its part to reduce the company's impact on the environment. In 2017, the company continued to make progress by implementing sustainability measures that focus on energy conservation and efficiency, and other environmental benefits.

【Environmental Goals(restates in 2017)】

- (1)Reduce CO₂e emissions in stores by 20% by 2027 (2015 baseline)
- (2)Shift to eco-friendly packaging for 100% of private brand products by 2027

※2027 is SEI's 100th anniversary.



Collaboration with External Organizations

7-Eleven, Inc. continued relationships with two organizations to help guide its environmental initiatives – Conservation International and Retail Industry Leaders Association.

Conservation International (CI), is a nonprofit organization dedicated to building a healthier, more prosperous and more productive planet through science, policy and partnerships. 7-Eleven is a member of CI's Business and Sustainability Council, a forum for corporate leaders taking positive environmental actions in their businesses, to explore mutually beneficial ways to further reduce its environmental impact. 7-Eleven is a member of the Retail Industry Leaders Association's Retail Sustainability Initiative (RSI). RSI is an industrywide educational forum for the largest U.S. retailers. It brings its members together to share leading practices, identify future trends, benchmark with peers, and collaborate on common industry sustainability challenges.

Promoting Energy Saving

7-Eleven is committed to reducing energy consumption and improving efficiency. In 2016, 7-Eleven, Inc. set a target to reduce the company's energy footprint in stores by 20% by 2025, compared with 2015 levels, measured in MTCO₂e per square foot. In 2017, 7-Eleven reduced its CO₂e emissions by 92,035 MTCO₂e year over year from 2016 and by 111,611 MTCO₂e from 2015. 7-Eleven has currently reduced MTCO₂e by 13.6% MTCO₂e per sq ft. from 2015 to 2017. This is equivalent to greenhouse gas emissions from approximately 19,800 passenger vehicles for one year. 7-Eleven reduced its environmental footprint by working with energy partners and through energy conservation and efficiency measures in stores, such as installing LED light fixtures, energy management systems and high efficiency heating, ventilation and air conditioning (HVAC) equipment. Between 2008 and 2017, 7-Eleven reduced electricity consumption in stores by an estimated 24.5%.

LED Lighting

LED lights are energy efficient, eliminate use of hazardous materials and comply with local regulations to reduce light pollution. They enhance the customer shopping experience and support store safety. 7-Eleven's LED lighting program is part of the company's energy-efficient design standard and is a significant contributor to the company's CO₂ reduction goals. As of December 31, 2017, more than 6,000 stores feature LED lighting. Stores that changed from fluorescent to LED lighting can achieve an estimated annual energy saving effect of 38,756 kWh per store.

Energy Management Systems(EMS)

7-Eleven stores energy management systems (EMS)s enable remote control of heating, ventilation and air conditioning (HVAC) and refrigerant equipment, which yield significant energy consumption. The systems monitor, control and optimize the performance of energy-consuming equipment, and generate real-time data to perform diagnostics and optimization routines to reduce energy consumption and manage costs. In 2017, the company continued to install EMS. Currently, nearly 6,000 stores have EMS installed, enabling stores to achieve an estimated energy savings effect of 16,323 kWh per store, per year.

Shifting Focus to Renewable Energy

In 2017, while maintaining the company's commitment to existing energy conservation projects, 7-Eleven, Inc. turned its focus toward renewable energy. 7-Eleven signed an agreement with TXU Energy to purchase 100 percent Texas wind energy for all its Texas stores located in competitive energy markets. This wind energy agreement, which impacts 425 stores, starts in 2018, and is expected to reduce 7-Eleven's carbon footprint by an estimated 6.7 percent while providing significant operating expense savings. With more than 10,000 wind turbines in the state, Texas ranks first in the United States for both installed and under-construction wind capacity, and is home to four of the top 10 largest wind farms in the nation.

External recognition for initiatives addressing environmental issues

■ Sustainability Choice Award

TXU Energy recognized 7-Eleven with its 2017 Sustainability Choice Award for its commitment to reduce the company's carbon footprint and choice of renewable energy for the business.

■ Stars of Energy Efficiency Award

In 2017, the Alliance to Save Energy awarded 7-Eleven® with the Alliance to Save Energy "Built Environment" award for its commitment to reducing energy consumption and improving efficiency in its stores. The award recognized 7-Eleven's for successfully decreasing electricity use in store operations by an estimated 21 percent between 2008 and 2015 through installing LED lighting, energy management systems and high-efficiency HVAC units. The Alliance to Save Energy is in its 25th year of recognizing innovators in the energy efficiency field and reward the hard work of those dedicated to saving energy.

Engaging our People in Climate Change

Climate change is a significant global problem that we encourage all our people to learn more about. At our 2017 national conference, SEI provided information on the effects of climate change, and gave pedometers to all attendees for our "Steps for Good" contest. For every 500 steps a participant took, 7-Eleven donated \$1 to help the environment. Participants walked more than 17 million steps – almost 8,600 miles – raising over \$34,000 for environmental initiatives. The money was donated to Conservation International (CI), an American nonprofit organization, to support efforts to educate people on ways to improve and stabilize the climate.

Use of Environmentally Friendly Containers and Packaging

7-Eleven is committed to continually looking for ways to improve product packaging. Many of our solutions are paper-based, derived from sustainable resources and, whenever possible, we work to reduce packaging materials without compromising product quality or safety. We focus on correct sizing and choosing materials that best fit and deliver our products in the most efficient manner. In 2017, SEI continued its commitment to packaging improvements through several packaging reduction initiatives.

2017 Highlights

- 7-Eleven evaluated several fresh food packaging designs and determined that the company could reduce materials and still maintain packaging quality and performance for breakfast and meal offerings.
- The breakfast sandwich package was switched from quilted hand wrap to a window bag, reducing the material by 25%
- The rectangle entrée package was made smaller and a plastic shrink band deleted, reducing the material by 10%.
- The large oval entrée package was reduced in size and a plastic shrink band deleted, reducing the material by 33%
- A downsized small oval entrée package without a plastic shrink band reduced materials by 37%

Number of 7-Eleven, Inc. Stores and Environmental Data Associated with Store Operations

	2015	2016	2017
Number of stores	8,500	8,707	8,294
GHG emissions*1,2 (1,000t-CO ₂ e)	903	883	791
CO ₂ emissions*1,2 (1,000 t-CO ₂)	899	878	787
Electricity consumption*1(GWh)	2,142	2,154	2,053
Water usage*1(1,000 m ³)	8,878	9,040	9,793
Shopping bag usage (t)	2,969	2,625	2,780

※1 Calculations are based on estimated electricity consumption for stores where data was not available.

※2 Audited by a third party

7-Eleven® Expands Sustainably Sourced Coffee

To provide high quality, environmentally friendly products, in 2017 7-Eleven, Inc. expanded its sustainably sourced coffee program with three Rainforest Alliance Certified varieties.

Nearly every major coffee-producing region of the world is under stress as changing weather patterns affect coffee production. By working with the Rainforest Alliance, SEI can help foster sustainable farming practices that protect natural resources.

The Rainforest Alliance is an international nonprofit organization that seeks to conserve biodiversity and ensure sustainable livelihoods. Carrying the Rainforest Alliance Certified seal means 7-Eleven stores' new coffee is sourced from coffee-growers whose farms are required to meet strict standards designed to protect the environment, conserve wildlife and promote the well-being of local communities.

- Single-Origin Coffee from Mexico

After introducing its first single-origin Rainforest Alliance Certified coffee, sourced from Nicaragua last year, 7-Eleven introduced its second single-origin sustainably-sourced coffee from Chiapas, Mexico. The Rainforest Alliance Certified coffee is made exclusively from beans harvested in the mountainous highlands of southern Mexico, an area known for its dense rain forests and ancient Mayan ruins.

- Permanent Single-Origin Colombian Coffee

7-Eleven made a significant product commitment to sustainability with the switch to a new Rainforest Alliance Certified single-origin Colombian coffee. Available year-round, the new 100 percent Colombian coffee replaced the version previously offered and is the company's first permanent coffee variety to switch to sustainable sourcing.

- Limited Time, Single-Origin Peruvian Coffee

For its next limited time, single origin coffee, 7-Eleven sourced beans from the Cajamarca region of Peru. As with its other single-origin, sustainably sourced coffee, the new coffee from Peru is Rainforest Alliance Certified. The Peruvian coffee is the third limited-time, single-origin coffee offered at 7-Eleven, the fourth largest coffee retailer in the U.S.

With the addition of the certified single-origin Colombian coffee as a permanent offering and other sustainable limited-time varieties in the future, between one-third and one-half of the 7-Eleven® coffee lineup will be Rainforest Alliance Certified.

As part of its CSR objectives, SEI will continue to seek out responsibly sourced coffees with less environmental impact. Coffee that carries the Rainforest Alliance 'Certified™ Seal and gives customers a premium cup of coffee and a feel-good way to start the day.

Coexisting with Local Communities (U.S.)

7-Eleven, Inc. aims to uphold its responsibilities as a good corporate citizen and contribute to local communities where it has opened stores. The Head Office and franchisees work together to promote social contribution activities. The main fields for these activities are support for youth development and military personnel.

In the fiscal year ended December 31, 2017, 7-Eleven, Inc. provided assistance to over 1,500 organizations totaling more than US\$3.40 million in monetary terms through donation drives and provision of supplies implemented by customers, franchisees, employees, and Head Office.

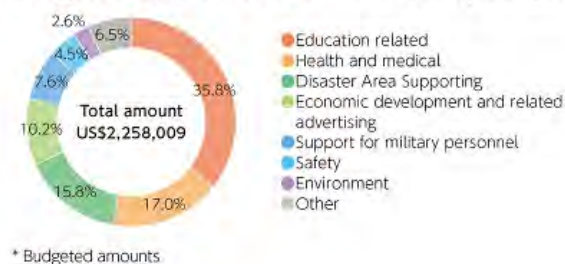
[Social Contribution Goal (restates in 2017)]

Increase corporate giving to 1% net income by 2027

※2027 is SEI's 100th anniversary.



Budgeted cash donations in the U.S. by SEI (2017)



Support for Youth Development

For the 22nd year, 7-Eleven® worked with law enforcement agencies across the country to distribute free Slurpee® drink coupons through Operation Chill®, 7-Eleven's popular community-service program that recognize kids for positive behavior.

Through Operation Chill, law enforcement officers from participating local police and sheriff's departments "ticket" youngsters caught in the act of doing good with Slurpee beverage coupons. The coupons help officers enhance relationships with the young people of their cities by rewarding them for good deeds, positive activities and acts of kindness.

Examples of rewarded behavior might include helping a person in need, deterring crime or participating in a community service activity. Each coupon can be redeemed for a small Slurpee drink at participating 7-Eleven stores.

In 2017, 7-Eleven issued more than 1.3 million Slurpee coupons to approximately 1,000 law enforcement agencies which, in turn, distributed most of those during the summer months and back-to-school season.

Since the program's inception in 1995, more than 19 million Operation Chill coupons have been distributed to hundreds of law enforcement agencies across the country in areas where 7-Eleven operates stores.



Support for Children's Education

Developing our youth is an important investment to ensure kids have a strong foundation to become responsible and productive citizens. 7-Eleven's Project A-Game program helps kids develop their full potential by funding education, fitness, safety and hunger relief programs that can set them up for success.

Franchisees who identify a need in their community can apply for a Project A-Game grant on behalf of a school, youth sports program or community organization in their store's neighborhood. The grant is jointly funded by Franchisees and the company and helps provide critical funding for program expenses.

In 2017, more than 620 grants were awarded - a community investment of approximately \$515,000. Grants helped underwrite a variety of initiatives that help kids stay focused, in school and on track including, positive behavior programs, athletic teams and after school activities. Since the program's inception in 2012, nearly 3,500 grants have been awarded, totaling approximately \$2,000,000.



Fighting Youth Hunger

In the United States, 13 million, or 1 in 6 children, face hunger and may not know where they will get their next meal. Getting the energy kids need to learn and grow can be a daily challenge. Fresh produce is in high demand by food banks and is important to good nutrition, especially for children. In 2017, for the 4th consecutive year, 7-Eleven, Inc. joined the Feeding America network of food banks in a pay-it-forward campaign to buy bananas for food-insecure individuals and families in the U.S. 7-Eleven® customers were offered a quick and easy way to help by purchasing two bananas for \$1, that were donated to Feeding America and distributed through its network of local food banks to families in need. For every two bananas donated by a customer, 7-Eleven also contributed an additional dime for the Feeding America network. This program provided an opportunity for 7-Eleven customers to get involved in one of the most pressing issues our country is facing and support hunger-relief efforts at a vital time during the holiday season.

The mission of Feeding America, the nation's leading domestic hunger-relief charity, is to feed America's hungry through a national network of 200-member food banks and engage the country in the fight to solve hunger. Its member food banks supply food to more than 46.5 million Americans each year, including children and seniors. 7-Eleven and its customers donated approximately 725,000 bananas and nearly \$35,000 in cash contributions to benefit 22 regional Feeding America member food banks where 7-Eleven operates stores.

FOR ONLY \$1
TOGETHER
WE'RE | FEEDING
AMERICA



Creating fulfilling workplaces

Employees with strong abilities are vital for SEI to achieve its business goals and objectives. SEI understands the value of learning and development to build employee competencies for personal growth and to maximize employee potential.

Personnel data in the U.S. and Canada (as of 31,2017)



Initiatives in North America

> [For information on Seven-Eleven Hawaii, please follow this link.](#)

Seven-Eleven Hawaii

In March 2016, Seven-Eleven Hawaii (SEH) added “Our Promise” to its set of company values in order to support its direction as a chain of “close-by, convenient stores,” to shape its corporate culture, and to further solidify its values. “Our Promise” is comprised of the following three specific values.

1. Bring a smile to the faces of customers, vendor partners, and employees
2. Work together as a team to achieve goals
3. Strive for greater heights

To promote “Our Promise,” the company started a program for recognizing exceptional employees. First, all employees are encouraged to nominate people they think are practicing the three values. Then, the selected people are given a badge and a bonus and are introduced in the company newsletter and on an employee-only Facebook page.

These values define SEH as a business for the community, for partners and for employees. The practice of Our Promise then becomes the cornerstone for the words and actions of employees.

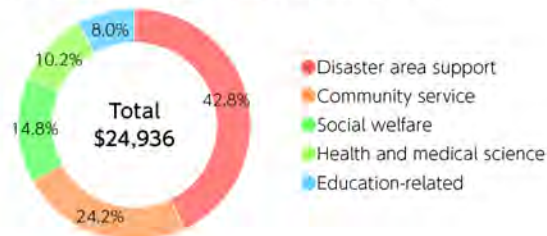


Thriving with Local Communities

As a good corporate citizen, SEH supports activities and NPOs involved with children, education, public welfare, and health.

In 2018, the equivalent of approximately \$42,500 in support was provided to 61 organizations through fundraising, material support, and volunteer activities on the part of SEH customers, stores, employees, and the company.

Amount of cash donations by SEVEN-ELEVEN HAWAII (FY2018)



Supporting NPOs through Storefront Donations

SEH has been collecting storefront donations to support various NPOs that contribute to the local community since it began operations. Organizations that wish to receive donations submit an application stating their mission and why they want to participate in the organization, and each month, one organization is selected as the recipient. The selected organizations are active in fields such as health, safety, and education, and the donated funds are used throughout Hawaii. In the fiscal year ended February 28, 2019, approximately \$86,844 were donated.

Social Contribution through the Sale of Coupon Books

Since 2001, SEH has sold Lima Kokua (Helping Hands) Coupon Books to schools, sports teams, and other non-profit organizations. The organizations that purchase the coupon books, which can be used in all SEH stores, earn a profit by selling them to third parties.

SEH supports the activities of these NPOs through the sale of the coupon books.

In the fiscal year ended February 28, 2019, 25 organizations used the system. Many of these were repeat orders, showing that the books have been popular.



Lima Kokua Coupon Book System



“Healthy Bento Contest ” Held for Culinary School Students

SEH began a partnership with the Pacific Food Association through an introduction from the Hawaii State Department of Health. Its first initiative was to hold a healthy boxed lunch contest for the association’s students.

Students create boxed lunches that fulfill nine conditions, such as calorie restrictions (700 calories or less), using at least two local ingredients, and using SEH boxed lunch containers. The boxed lunch competition gives students an opportunity to tackle meal preparation in ways that differ from restaurant cooking. To support the students during the two-month preparation period, the SEH Fresh Food team provided SEH information as well as various boxed lunch samples. It also confirmed all samples submitted one week before the contest and provided advice for improvement.

In addition, WARABEYA U.S.A., which supplies products exclusively to SEH, provided students an opportunity to tour a plant. Seeing the process of boxed lunches being made from start to finish was very useful to the students in creating their own boxed lunch recipes.

On November 28, the eight finalists gave presentations in front of an audience of over 70 spectators, and the judges from SEH and WARABEYA U.S.A. decided the top three entries based on the appearance, taste, marketability, and presentation of the food. The first-, second-, and third-place entries, which were boxed lunches consisting of pasteles stew, vegetarian chili, and teriyaki salmon, respectively, are slated to be rolled out at all SEH stores in 2019.

Due to the large response received from people in the region, SEH plans to hold the same contest for other culinary school students in the autumn of 2019.



Contest Participants

Support for Children

Starting November 12, 2018, SEH held its third "Letters to Santa" Program. The children living near its stores brought in letters addressed to Santa asking for things that they want. The SEH Marketing Department reads all of the letters and selects 40.

Three children among those who wrote especially outstanding letters appeared on a local lifestyle program and talked about what they requested from Santa and why they requested it. SEH sends presents to the elderly every year during Christmas season, and a 7-year-old girl who requested money for such a present received a gift card. SEH also made a donation in the girl's name to a service that provides meals to senior citizens. A 9-year-old girl requested that meals be provided to the homeless, and a 12-year-old girl requested a home for abandoned animals. To satisfy this girl's kindness toward animals, SEH made a donation in the girl's name to the Hawaiian Humane Society. In addition to providing what the three asked for, SEH also gave them toys and other gifts.

SEH plans to continue the "Letters to Santa" campaign, which brings smiles to children's faces, in the future as well. The children who participate in the campaign come from families without the financial means to grant their wishes, and they are putting into practice the Christmas spirit of "unconditional giving." SEH has learned a lot from children by lending them its assistance.



The three children introduced on television

Reducing Environmental Impact

SEH has been working on an initiative named the Energy Smart Program, to reduce energy consumption, since 2012. In 2018, many stores replaced their ice cases. In addition, they are replacing old sandwich sales fixtures as they increase the number of product displays. Despite these efforts, electricity consumption for 2018 was almost the same level as the previous year.



Number of SEH Stores and Environmental Data Associated with Store Operations

	2014	2015	2016	2017	2018
Number of stores	60	63	63	64	64
Electricity consumption (MWh)	18,246	18,399	18,097	18,334	18,425
Water consumption (thousand m ³)	44	46	46	47	51

Plastic Countermeasures

With regards to the problem of plastic, about which concern has increased throughout the world, SEH is working to reduce the usage of plastic, with a focus on containers and packaging materials .

[Examples of Initiatives]

- Not including spoons, forks, and other utensils with boxed lunches, but handing them to those who need them at the cash register
- Eliminating disposable plastic bags
- Introduce shrink wrapping* and minimize the wrapping of fresh produce
- Implement a "Bring your own cup" program to encourage customers to bring their own cups

Major Awards and Recognition in the Fiscal Year Ended February 28, 2019

Recognition or Award Name	Award Sponsor
Best of Honolulu Magazine	AIO Hawaii
Hawaii's Best	Star Advertiser

Initiatives in North America

➤ [For information on 7-Eleven, Inc., please follow this link.](#)

Chinese Convenience Store Business

Providing Safe and Reliable Products

In China, where concerns over food safety and integrity have been mounting, SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN) and SEVENELEVEN (CHENGDU) work to provide safe and reliable products by leveraging quality management and product development capacities cultivated in Japan.



Product Quality Management

For the Group's private-brand products in China, strict standards are applied in selecting ingredients, and processing plants that maintain high quality levels are selected through a screening process based on whether they have experience exporting to Japan and other criteria.

We have strengthened quality management at dedicated plants producing only the Group's products by incorporating international food safety management systems and measures implemented at plants in Japan. Beijing Wang-Yang Foods and JEANAVICE factories, which are dedicated plants of SEVENELEVEN (BEIJING) and SEVEN-ELEVEN (TIANJIN), obtained the "SC" food production license for chilled foods in February 2017, earlier than peer companies in the industry. "SC" is a regulatory requirement related to food production in China. Food manufacturers must acquire the "SC" license by switching from the existing "QS" food quality and safety license by October 2018. In addition, Q's Café plants acquired HACCP*1 certification in March 2017, while Beijing Wang-Yang Foods acquired it in March 2018.

The three companies are working on automating their manufacturing process to better stabilize product taste and quality. Chengdu Yonglida Food Limited Company, which supplies products to SEVEN-ELEVEN (CHENGDU), expanded its installation of rice ball molding and wrapping machines in July 2018, and it introduced noodle-making machines starting in 2019. Beijing Wang-Yang Foods has been introducing more machines at its plant dedicated to stuffed bread, which began full-scale operations in March 2019, with a focus on the bread production process and product wrapping. SEVEN-ELEVEN (CHENGDU) also began cultivation management at its dedicated production sites starting February 2019, and it began sales of salads made using very fresh vegetables by using low-temperature transportation and processing (cold chains). Similarly, SEVEN-ELEVEN (TIANJIN) began selling salads using cold chains starting July 2019.

*1HACCP (Hazard Analysis and Critical Control Point) food sanitation management method

Giving Consideration to Health

Trans-fatty acids, which are said to increase the risk of heart disease, were successfully reduced to zero in the original room-temperature bread products of SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (TIANJIN). In addition, since January 2019, allergens have been displayed for rice balls and sushi, and this is gradually being expanded to boxed lunches, sandwiches, and other products.

Improving Customer Satisfaction

The three companies are working to collect customer feedback in order to improve products and services from the standpoint of customers. Feedback obtained from customers is shared with departments and stores on a daily basis. In addition, in order to grasp changes in customer needs and reflect them in products, SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (CHENGDU) conduct periodic customer surveys. In the fiscal year ended February 28, 2019, SEVEN-ELEVEN (BEIJING) conducted a survey aimed at 1,000 customers. Because we learned from the survey that many customers from neighboring residential areas are making use of it, we reviewed our lineup of sundries .

The three companies have been conducting training to further improve the customer service provided by employees. For example, starting in the fiscal year ended February 28, 2018, SEVEN-ELEVEN (TIANJIN) has been conducting cash register customer contact training at certain stores, and due to the significant improvements, the company introduced the training to all stores starting in the fiscal year ending February 28, 2019.

In addition, SEVEN-ELEVEN (CHENGDU) placed trainers in charge of store training and is working to improve customer service through customer service training and daily practice.

SEVEN-ELEVEN (BEIJING) created customer service awards to recognize employees who provide outstanding customer service. The awards are presented in a group ceremony every three months. We will strive to enhance motivation by presenting awards to recipients at meetings and other such forums in conjunction with striving to increase examples of best practices for employees to follow by making the award-winning activities widely known.



Presentation of awards by SEVEN-ELEVEN (BEIJING)

Thriving with Local Communities

Each company conducts social contribution activities as members of their local communities.



Environmental Preservation Measures through In-Store Donations

SEVEN-ELEVEN (BEIJING) installed collection boxes in stores and has been collecting money from customers since November 2006. The funds are donated to the Beijing Green Fund, an officially-recognized environmental preservation organization. The Fund uses donations from the public to plant trees as countermeasures against sandstorm damage and desertification, creating tree fences that prevent sand movement in and around Beijing. Starting the fiscal year ended February 28, 2019, as an activity in which customers could easily get involved, it began an initiative in which part of the proceeds from customers' coffee purchases were donated to the Beijing Green Fund . This initiative resulted in donations of 25,639 yuan, and a total of 108,974 yuan was donated for the year.

Donation amounts

FY2016	FY2017	FY2018
148,189 yuan	126,434 yuan	108,974 yuan

Assisting with University Fundraising Activities

SEVEN-ELEVEN (BEIJING) is assisting with the China Foundation for Poverty Alleviation's "100 Good Deeds" project, a fundraising activity carried out primarily by university students. This project is a fundraising activity aimed at providing stationery and such to the children of poor families in which university students solicit donations on the streets on weekends. In the three-month period from October to December 2018, SEVEN-ELEVEN (BEIJING) has provided gathering spots and rest areas at seven stores every Saturday for university students participating in fundraising activities.



"100 Good Deeds" Fundraising Project

Support for Children

Since 2013, SEVEN-ELEVEN (CHENGDU) has continuously provided support for Benevolence House, a home for children with brain disorders. In the fiscal year ended February 28, 2019, employees visited the facility in December to participate in a Christmas event, putting on performances and playing games with the children. In addition, the employees provided daily essentials and other presents.

In addition to supporting Benevolence House, SEVEN-ELEVEN (CHENGDU) conducts support activities for communities. In the fiscal year ended February 28, 2019, SEVEN-ELEVEN (CHENGDU) donated masks equivalent to approx. 200,000 yuan to the sanitation workers of Chengdu's Wuhou District. In recognition of this donation, the company received a Most Charitable Company Award from the Wuhou District Nianxijie Office.

Value of Goods Donated to Benevolence House by SEVEN-ELEVEN (CHENGDU)

FY2016	FY2017	FY2018
1,937 yuan	1,826 yuan	1,992 yuan



A visit to Benevolence House

Creating Fulfilling Workplaces

In continuing to expand our network of stores in China, it is essential that we hire and train local employees. The three companies are focused therefore on raising the communication abilities of employees and train them to be able to think and act with autonomy. To this end, the three companies are working to provide various training seminars and create workplaces where employees are able to demonstrate their abilities to the fullest.



Employee-Related Data (FY2018)

	SEVEN-ELEVEN (BEIJING)	SEVEN-ELEVEN (TIANJIN)	SEVEN-ELEVEN (CHENGDU)
Full-time employees (Men/Women)	551 (290/261)	237 (82/155)	281 (114/167)
Part-time staff	1,132	425	626
Percentage of employees with disabilities	2.24%	2.53%	3.20%
Percentage of non-executive female managers	60.3%	58.9%	65.9%

Supporting development of employee abilities

Operations Field Consultants (OFC) play an important role in connecting the Head Office with franchise store owners. They serve as store management consultants that provide multifaceted advice to franchise stores on overall management, including ordering, product lineups, and employee training. OFC candidates first gain store experience at training stores and learn the fundamentals of store management, which include the Four Basic Principles; unit control; employing, training, assigning and evaluating staff; and management indicators. SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (TIANJIN) are focused on enhancing training of AFC (OFC assistant) candidates and AFCs. At SEVEN-ELEVEN (TIANJIN), AFC candidates selected from among employees working at the store receive training that provides knowledge about OFC duties and enhances managerial skills. They accompany veteran OFCs during store visits and address store improvement issues. At the conclusion of the training, the candidates give presentations on proposals for store improvement and earn their AFC qualifications. SEVEN-ELEVEN (BEIJING) has enhanced OJT by having AFCs accompany OFCs around stores and deepen their knowledge of OFC tasks. It has also adopted training for learning about related divisions such as the product department, construction, human resources, and so on.

At weekly meetings of OFCs, company policies are shared and training is conducted to enhance work skills such as communicating effectively with franchise stores. SEVEN-ELEVEN (CHENGDU) conducts training of Head Office employees on corporate structures, laws and approaches regarding operations, business etiquette, PC operation, and other topics.



Training session

Systems to Raise Employee Motivation

Various initiatives are implemented to provide opportunities to raise employee motivation and resolve issues they may face in the workplace. In addition, SEVEN-ELEVEN (TIANJIN) has instituted internal hiring programs that allow employees to apply for desired positions. They are selected on the basis of interviews between the applicants and the relevant Head Office divisions, the Human Resources Department, and so forth. In the fiscal year ended February 28, 2019, three employees applied and one was transferred to requested divisions. SEVEN-ELEVEN (BEIJING) gathers opinions from employees and has established structures for conducting interviews when renewing employment contracts and when employees separate from the company in order to make improvements. The Company conducted surveys on company benefits in the fiscal year ended February 28, 2019 and is used the results to reform the system. In addition, SEVEN-ELEVEN (CHENGDU) has adopted outdoor activities to cultivate employees' desire to improve.

Examples of systems for raising employee motivation

- Operate a contact desk so that employees can consult with the company on issues
- Interviews with employees by personnel departments
- Interviews with new employees by supervisors
- Organize employee get-togethers to promote closer interaction and socializing among employees
- Conduct questionnaires on motivation
- Share information about role models among employees by conferring awards upon talented employees



Evaluation and Remuneration

The three companies have adopted an employee evaluation system that combines monthly interview evaluations and yearly evaluations. Monthly interviews are conducted between employees and their direct supervisors to discuss the rate of progress toward their performance goals. After self-assessments are carried out by each employee, yearly interviews and evaluations are then conducted by the direct supervisor and a secondary, higher-level supervisor. Monthly evaluations are based on company, divisional and individual performance. They are working on improving the evaluation system, with SEVEN-ELEVEN (BEIJING) working with external vendors to review the skill items necessary for each job, for example. Moreover, the frequency of interviews was changed from once a year to quarterly, and progress is being periodically checked so that annual performance goals can be achieved. In addition, SEVEN-ELEVEN (TIANJIN) added the achievement status of action plans to its evaluation items in an effort to have each employee be conscious about results when engaged in their work.

For managers who perform evaluations, regular training is carried out on matters such as monthly evaluation methods for subordinates and on determining pay in accordance with these evaluations. The training enables managers to obtain the correct knowledge on these matters.

Promoting the Advancement of Women

In China, the labor contract laws have been designed to provide male and female employees with generous leave related to childbirth and childcare. Moreover, men and women are treated equally, and it is common practice for women to continue working after marriage. This legal system and practice of appointing managers based on ability work together to promote the appointment of women to managerial positions. In 2012, the first Chinese woman director was appointed at SEVEN-ELEVEN (TIANJIN). As of the end of December 2018, women currently occupy approximately half of the non-executive managerial positions at the three companies. In March 2018, SEVEN-ELEVEN (BEIJING) appointed women in the roles of vice president and director, and SEVEN-ELEVEN (TIANJIN) appointed a woman as director.

Internships

With the aim of hiring outstanding human resources, hiring local personnel, and promoting the education of youth, SEVEN-ELEVEN (TIANJIN) and SEVEN-ELEVEN (CHENGDU) conduct internships and have been recognized by the government as youth employment intern bases that promote the employment of young people who have graduated from high school. In the fiscal year ended February 28, 2019, SEVEN-ELEVEN (TIANJIN) accepted 30 interns, of which 12 gained employment with the company. SEVEN-ELEVEN (CHENGDU) began accepting interns in May 2017 and has accepted 87, with 29 of those becoming employees at SEVEN-ELEVEN (CHENGDU).

Reducing Environmental Impact

The Chinese government has been putting great emphasis on climate change issues. In Beijing, companies with annual CO₂ emissions in excess of 5,000 tons are subject to upper limits on CO₂ emissions in each industry as major emitters and must purchase emissions credits for the excess portions. SEVENELEVEN (BEIJING), which subject to this program, saw electricity consumption per store decline in the fiscal year ended February 28, 2019 compared to the previous year, but because overall CO₂ emissions increased as a result of an increase in the number of stores, and consequently, the company purchased emissions credits for 7,000 tons. SEVEN-EL EVEN (TIANJIN) and SEVEN-ELEVEN (CHENGDU) also reported higher electricity consumption due to an increase in the number of stores and work days, new installations of equipment for fast food, and so on.



Environment-related Data SEVEN-ELEVEN (BEIJING)

	2014	2015	2016	2017	2018
Number of stores	175	187	219	247	266
Electricity consumption (MWh)	19,366	18,122	24,856	25,702	26,537
Water Consumption (1,000 m ³)	73	75	96	83	85

SEVEN-ELEVEN (TIANJIN)

	2014	2015	2016	2017	2018
Number of stores	60	70	82	118	155
Electricity consumption (MWh)	6,164	5,278	7,027	10,077	14,0814
Water Consumption (1,000 m ³)	20	18	24	34	42

SEVEN-ELEVEN (CHENGDU)

	2014	2015	2016	2017	2018
Number of stores	66	60	67	87	77
Electricity consumption (MWh)	7,319	7,746	6,031	7,892	11,137
Water Consumption (1,000 m ³)	28	24	18	24	25

Energy Conservation Measures at Stores

All three companies have installed LED illumination as interior lighting in all stores and are implementing other measures to reduce electricity consumption, such as installing curtains in walk-in refrigerators to prevent the outflow of cold air, installing energy-saving equipment, and conducting education to raise customer awareness. In the fiscal year ending February 28, 2019, both SEVEN-ELEVEN (TIANJIN) and SEVEN-ELEVEN (CHENGDU) have been taking measures to save energy, with the former installing LED illumination in Chinese steamed bun fixtures, and the latter shifting to energy-saving outdoor equipment.



A curtain installed in a walk-in refrigerator

Environmental Measures at Dedicated Plants

In order to avoid wasting resources, efforts are being made at Beijing Wang-Yang Foods, a dedicated plant of SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (TIANJIN), to utilize unneeded food materials generated by each plant as feedstock for a pig farm. Similarly, the JEANAVICE Factory has a nursery collect residual bread under contract. Both plants use wastewater treatment facilities that clean water to the same or higher standard than government standards to ensure that polluted water is not discharged, collect waste oil, and conduct periodic investigations of smoke emissions from the perspective of preventing atmospheric pollution.

Major Awards and Recognition in the Fiscal Year Ended February 28, 2019

Recognition or award name	Award Sponsor	Recipient
Tianjin City Advanced Foreign Investment Company Award	Tianjin City Bureau of Commerce	SEVEN-ELEVEN (TIANJIN)
Most Charitable Company Award	Wuhou District Nianxijie Office	SEVEN-ELEVEN (CHENGDU)

Initiatives in China

> For information on the superstore business in China, please follow [this link](#).

Initiatives in China

Message from Chairman

Ito-Yokado launched its China business with the opening of the Chunxi Store in Chengdu City in November 1997, and in 2019, we marked 22 years of business in Chengdu and Beijing. This success is due to the support of customers, business partners, shareholders, and local communities as well as backing from employees, and for this I am truly grateful. During this period, we have adapted to various changes in the business environment based on our corporate philosophy “reliability and sincerity” and “customer first.” During the past 22 years, the Chinese economy has undergone remarkable development, consumer incomes have increased, and the middle class has greatly expanded in size. For the middle class, an “abundant lifestyle” has come to mean a “healthy lifestyle true to oneself.” People now want safe and secure foodstuffs, fashion that allows them to express themselves, highly convenient services, and leisure time for engaging in sports and other interests. To meet these needs, we have focused on sales of “看得見的放心” food products with particular attention to safety and taste, hygiene management systems in plants and production sites, inspection systems, periodic confirmation of compliance with laws and regulations, and employee education on hygiene standards, quality control, safety-related laws and regulations and so on. We are also taking ongoing measures to create comfortable shopping environments in stores by creating child play areas, expanding rest areas, and improving restroom environments, and have restaurants available for use as community areas. To do this, in May 2018, we implemented a large-scale renovation of the Asia Village Store in Beijing, the first since it opened. In Chengdu, we opened the Huafu Avenue , a lifestyle grocery store that specializes in food, the first of its kind, in November 2018, and in January 2019 we opened the first SC Ito Plaza in a mall. In the external environment, new services that make use of information technology are being created. In response, we established an electronic commerce company in Chengdu in 2017. We are advancing toward a retail business that integrates brick-and-mortar stores with the Internet. Furthermore, to fulfill our corporate responsibilities, we continue to implement measures to reduce CO2 emissions in order to curtail environmental impact and we undertake volunteer activities targeting seniors and children. In the future, we will continue listening to the opinions of local communities and work to be a company that is trusted by local residents.



Ito-Yokado (China)
Investment Co.,
Ltd.
Hua Tang Yokado
Commercial Co.,
Ltd.
Chengdu Ito-
Yokado Co., Ltd.
Chairman
Makoto Imai

China Business History

Year	Event
1996	Request to establish superstore received from government of China and Chengdu in Sichuan Province
December 1996	Chengdu Ito-Yokado Co., Ltd. established in Chengdu
September 1997	Hua Tang Yokado Commercial Co., Ltd. established in Beijing
November 1997	Chunxi Store opens in Chengdu
December 2001	Asian Games Village Store opens in Beijing
September 2003	Shuangnan Store opens in Chengdu
December 2007	Jinhua Store opens in Chengdu
November 2009	Jianshe Road Store opens in Chengdu
November 2011	High-tech Store opens in Chengdu
January 2014	Wenjiang Store opens in Chengdu
2014	Then-Chairman Tomohiro Saegusa named an Honorary Citizen of Chengdu, a first for a Japanese manager of a private company
January 2017	Meishan Store opens in Meishan
April 2017	Chengdu Ito-Yokado E-commerce Co., Ltd. established in Chengdu
November 2018	Huafu Avenue Store lifestyle grocery store opens in Chengdu
January 2019	Ito Plaza opens in Chengdu

Company Overview

	Chengdu Ito-Yokado	Hua Tang Yokado Commercial
		
Net Sales	¥70,500 million	¥4,800 million
Number of employees	3,176	180
Number of stores	8 stores (Chunxi, Shuangnan, Jinhua, Jianshe Road, High-tech, Wenjiang, Meishan, Huafu Avenue)	1 store (Asian Games Village)
Established	December 1996	September 1997
Chairman	Makoto Imai	Makoto Imai
President	Tsugumi Ko	Makoto Imai
CSR Promotion Structure	CSR Management Committee	Corporate Ethics and Culture Committee
	Corporate Ethics and Culture Subcommittee	Corporate Ethics and Culture Subcommittee
	Consumer Affairs and Fair Business Practices Subcommittee	Environmental Subcommittee
	Environmental Subcommittee	
	Information Management Committee	

* The number of employees and number of stores are as of December 31, 2017.

* Exchange rate of CNY1 = ¥15.86

* Net sales does not include value added tax

CSR Initiatives



CSR Promotion Structure

In recent years, public demand for companies to take a progressive stance on CSR has been rising sharply in China. Under the policies of the Chinese government, CSR implementation guidelines and assessment benchmarks have been formulated, and CSR assessment rankings have been published. Since the fiscal year ended February 28, 2014, Chengdu Ito-Yokado and Hua Tang Yokado Commercial have been taking steps to create structures for promoting CSR more comprehensively and holding periodic CSR Management Committee meetings. The Corporate Culture and Ethics Subcommittee of Chengdu Ito-Yokado established curriculum for an online course that enables employees to acquire operational knowledge and technical awareness to ensure correct corporate behavior. Hua Tang Yokado Commercial's Corporate Culture and Ethics Subcommittee is returning to the origins of business, working to ensure that all employees are aware of the Corporate Creed and Corporate Action Guidelines. The Environmental Subcommittees at both Chengdu Ito-Yokado and Hua Tang Yokado Commercial seek to save electricity and water and have advanced discussions toward store operations that take energy conservation into consideration with specific targets for reduction. The Consumer Affairs and Fair Business Practices Subcommittee works to promote provision of safe and reliable products and services, which helps to make them even better.

Publication of CSR Reports

In July 2016, Chengdu Ito-Yokado published its first CSR Report, covering its social and environmental activities. In the course of preparing the report, the company referred to the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 3.0) developed by the Chinese Academy of Social Sciences and the international Sustainability Reporting Guidelines (G4) of the Global Reporting Initiative (GRI). There is a comparison table of the guidelines at the end of this report. The CSR report for the fiscal year ended February 28, 2019 was published in July 2019, and it was distributed to attendees at the Sichuan Province CSR report presentation meeting and at meetings for the general public and submitted to a CSR Report Conference held in Beijing by the China Federation of Industrial Economics .



Promise to Customers



Quality and Freshness Management

Amid a rise in public interest in safety and reliability of food, we provide products using quality and freshness management expertise developed in Japan. Sales staff, product departments, and quality control departments receive education on safety laws and regulations, production and processing standards, hygiene standards, and other aspects. About 370 employees of Chengdu Ito-Yokado and Hua Tang Yokado Commercial have been made aware of safety and quality management.

Chengdu Ito-Yokado employees each receive a copy of the "Standard Operation Manual" to establish a unified standard for production and processes. While improving quality on one hand, a representative from Head Office regularly visits stores to check that they are providing products that meet our standards. Annual third-party audits are also conducted.

Hua Tang Yokado Commercial conducts quality control training for foodstuff employees four times annually to ensure strict compliance with quality control standards.

We also visit our business partners' farms and factories regularly to see that they are meeting our standards for facilities and equipment, hygiene and production management, inspection systems, individual hygiene, and legal and regulatory CSR. In the fiscal year ended February 28, 2019, Chengdu Ito-Yokado audited its business partners 21 times, and Hua Tang Yokado Commercial audited its business partners 6 times.

Provision of Traceability Information

Since 2013, Chengdu Ito-Yokado launched sales of “看得見的放心” food products, which are based on the same concept as the Fresh Foods with Traceability products launched in Japan. Consumers can scan a QR code on these products to confirm on a dedicated website who the farmers are and where and how the products were grown. In the fiscal year ended February 28, 2019, “看得見的放心” products continued to be handled and sales of new pork, fruit, and vegetable Fresh Foods with Traceability products were started in stages. Pork and blueberries were introduced in April and melons were introduced in June, followed by tomatoes, potatoes, bell peppers, and other products. These products have proven popular as customer interest in food safety and reliability rises.

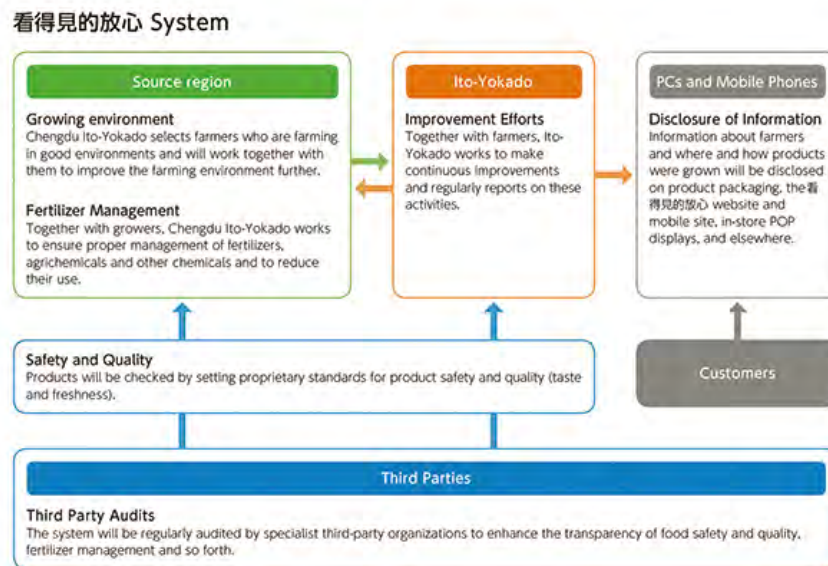
In the fiscal year ended February 28, 2015, Hua Tang Yokado Commercial started selling organic foods in cooperation with farmers by establishing rigorous food safety management systems and drawing up annual cultivation plans. In the fiscal year ended February 28, 2019, we began handling new hydroponic produce that is cultivated in a safe and secure environment. Furthermore, the company continued sales of “放心肉項目” meat products (meat products that can be consumed with confidence), which enable customers to confirm the meat producer using consoles installed in sales areas.



The “看得見的放心” brand logo



“看得見的放心” product display



Quality Supervision System and Meetings with Customers

Since 2008, Chengdu Ito-Yokado has appointed 10 customers at each store to act as quality supervision officers to help improve its products and stores with the customers who actually shop at the stores as the standard. The quality supervision officers meet at each store once a quarter to give their opinions, and are encouraged to make proposals on matters that they have noticed at any time. Quality supervision officers commented on the use of mobile phones by employees during work, and a new rule on the use of mobile phones during work was established, leading to improvement. In addition to quality supervision officers, we asked for cooperation from 70 customers and received 50 opinions. Based on these opinions, we reviewed product volumes and took other steps to provide even better products.

Other efforts included making home visits to 1,425 customers living in our stores' neighborhoods to ask their opinions. In March, June, and September we conducted customer satisfaction surveys, asking for opinions from 32,250 customers.

Chengdu Ito-Yokado and Hua Tang Yokado Commercial also collect opinions via the Internet, telephones, opinion boxes, and instore conversations. In the fiscal year ended February 28, 2019, Chengdu Ito-Yokado received 23,285 opinions and Hua Tang Yokado Commercial received 20,304. Based on the opinions received, a series of simple and reasonably-priced bedding products were created, and the products have been well-received by customers. We value customers' opinions and we are establishing systems to create stores that reflect their wishes.



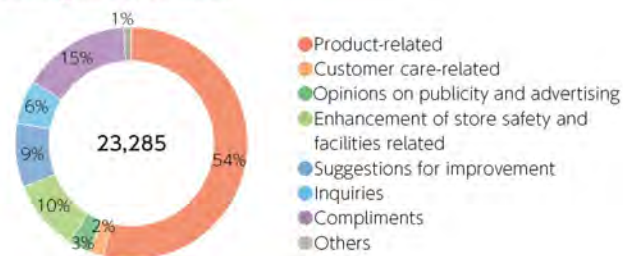
A new product taste testing prior to its launch (Shuangnan Store)



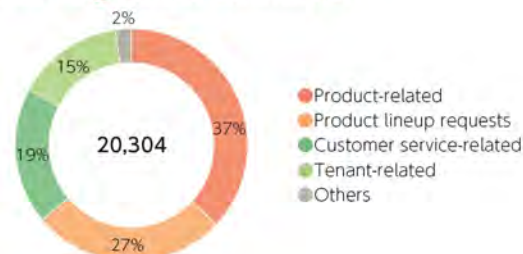
A new food product briefing (Shuangnan Store)

Breakdown of Customer Feedback

Chengdu Ito-Yokado



Hua Tang Yokado Commercial



Promise to the Local Community



Donations and Stakeholder Engagement

Chengdu Ito-Yokado is involved in providing educational support and in supporting households in poverty, among others. The company makes annual donations to Sichuan University, and as of 2018 it has made 21 donations that have supported 590 students. In the fiscal year ended February 28, 2019, the company donated 20,000 yuan to Japanese language students of Sichuan University and an additional 72,000 yuan to 30 outstanding students. In addition, since 2007 Chengdu Ito-Yokado has targeted elementary schools for providing support, selecting four schools and making donations to improve school facilities and equipment for the purpose of supporting children experiencing poverty. Company personnel visited the four schools and donated stationary and school supplies, physical education equipment, and other items based on the schools' requests. In other efforts, the stores make seasonal visits to local households experiencing poverty, people with disabilities, and elderly people living alone, giving them gifts of living essentials. In the fiscal year ended February 28, 2019, the company donated a total of 684,000 yuan through these social contribution activities.

Chengdu Ito-Yokado also holds an annual sports event. The first marathon was held in 2018. A total of approximately 5,000 runners including customers, business partners, quality supervision officers, students from Sichuan University and elementary schools, and Ito-Yokado employees participated. The themes were "the fun of running" and "everyone can enjoy themselves by participating," and through this event, Chengdu Ito-Yokado conveyed its commitment to supporting the healthy lifestyles of Chengdu residents by providing safe and reassuring products through day-to-day retail sales.



Presentation of scholarships at the marathon event



Children participating in the elementary school marathon event

Volunteer Activities

On the third Wednesday of every month, Chengdu Ito-Yokado employees at every store clean up the areas around the stores. At the Jianshe Road Store, cleaning personnel were presented hand cream at the end of the year and appreciation was expressed for their work. The store also created sites where cleaning personnel can drink water free of charge. Hua Tang Yokado Commercial conducts cleanup activities every day, with employees striving to lead neighborhood beautification efforts.



Cleanup activities by employees



A water fountain

Promise to Employees



Store Management by Local Employees

Since opening our first stores in China, we have been actively appointing local employees with the aim of developing stores that are deeply tied to local communities. At Chengdu Ito-Yokado and Hua Tang Yokado Commercial, Chinese store managers have been appointed. For the most part, stores are operated by local employees: the ratio of Chinese employees in management positions, excluding executives, is 100% at Chengdu Ito-Yokado and 96.2% at Hua Tang Yokado Commercial. In addition, we have been making progress on the appointment of women in China. The ratio of female managers, excluding executives, was 65.3% at Chengdu Ito-Yokado, with female store managers at five out of the nine stores, and 65.4% at Hua Tang Yokado Commercial.

Employee Data (As of December 31, 2018)

	Chengdu Ito-Yokado	Hua Tang Yokado Commercial
No. of employees	3,176	180
Part-time employees	448	1
Ratio of Chinese employees in management positions (%)	100%	96.2%
Ratio of women in management positions (%)	65.3%	65.4%
Number of employees with disabilities	47	10

CSR Education

In 2018, Chengdu Ito-Yokado established a CSR action plan and moved toward implementation. During this fiscal year, particular efforts were put into waste processing: a specialized waste sorting company was invited to conduct training on waste sorting, and in-store trash bins were changed to receptacles that allow waste to be sorted. Through these measures, we value limited resources and convey the importance of effectively using resources.

Hua Tang Yokado Commercial focused its efforts on developing human resources capable of acting in accordance with the Corporate Creed and Corporate Action Guidelines by holding internal control conferences, management conferences with each company, training conferences, and so on. Employees were trained on compliance with the “reliability and sincerity” aspect of the Corporate Creed and the social requirement that we remain a trusted and sincere company.

Self-Recommendation System

In the fiscal year ended February 29, 2016, Chengdu Ito-Yokado began operating a Self-Recommendation System as a show of respect for the autonomy of employees and to provide an outlet for their motivation. The system is for employees who have worked for the company for at least one year and allows them to put themselves forward as candidates for the jobs they seek.

Applicants who pass assessments are assigned to their desired workplace after a training period. In the fiscal year ended February 28, 2019, 74 people were assigned to their desired workplace out of 115 applicants.

Human Resource Development Programs

Training programs have been enhanced to boost the motivation of local employees and enable them to demonstrate their abilities to the fullest. Chengdu Ito-Yokado conducted education on improving employees' primary qualification capabilities and workplace operational skills as well as other functional curricula (form production, packaging, meat products, register operation) to foster human resources who can undertake the five strategies (Topic Strategy, Product Strategy, Private Brand Strategy, Service Strategy, and Made in Chengdu Strategy). We use an online remote education system to facilitate training with enhanced content including at remote sites.

Furthermore, practical skills training sessions are open for all employees to observe if they wish, even if they are not undertaking training, and they are able to learn directly from the lecturer. We also hold in-store operational skills contests and operate a program where on-site customers score employees to select winners, encouraging employees to improve through friendly competition. At Hua Tang Yokado Commercial, on Monday of the first week of each month, awards are presented to outstanding employees and to the department of the month to motivate employees. Furthermore, five employees from each store are commended and awarded as "service stars" for providing service at or above a certain standard. All full time, part time, and tenant store employees are eligible.



Operation skills contest (Chengdu Ito-Yokado)

Human Resource Development and Training

Classroom Training

To enhance the skills and responsibility of personnel in all position and ranks and create teams with independent thinking, action, and motivation, internal educational organizations undertake four types of training, with a total of 1,940 employees taking courses. Of this number, 466 were executives and 76 were recently promoted to supervisor. Internal instructors conducted classes with a focus on company policies, worksite execution capabilities, teamwork, and other topics.

e-Learning

In order to standardize training for all employees, the company disseminated corporate policies in a timely manner, and develop human resources able to work autonomously, internal organizations implemented a 70-hour curriculum in 2018. The curriculum included 11 hours on company policies and the Corporate Creed, 16 hours on fundamental education, 11 hours on specialized knowledge, and 32 hours on technical knowledge.

In 2018, the e-learning curriculum was reviewed and skills training was enhanced with the addition of basic knowledge concerning fresh meat, cash register training, knowledge needed by supervisors, and so on. A total of 13,317 employees including Head Office employees at nine stores, self-supporting employees, mannequins, and temporary employees participated in e-learning, and the program was used a total of 1,1 million times.

Promise Regarding the Environment



Energy-Saving Initiatives

Concern over air pollution and other environmental problems is growing in China, and as the government also establishes policies as a leading environmental nation and tightens regulations, Chengdu Ito-Yokado and Hua Tang Yokado Commercial are working to reduce their environmental impact through measures such as installing energy-efficient equipment. Refrigeration and freezer systems with EMS artificial intelligence are adopted at new stores, and we invest in energy-saving equipment. In back rooms, we displayed posters encouraging employees not to use electricity wastefully. We also introduced dishwashers that can recycle hot water and took measures to save water.

Chengdu Ito-Yokado conducted training on energy saving and performed comprehensive training and management for the Head Office and store employees on conserving electricity in particular, leading to a reduction in electricity consumption per store to 87.7% of the previous fiscal year's level. As a result, CO2 emissions were reduced by to 91.3% of the level in the fiscal year ended February 28, 2018, and energy use per store was 98% of the previous fiscal year's level. The non-paper initiative implemented since the fiscal year ended February 28, 2017 has resulted in a reduction of 1 ton of paper compared to the fiscal year ended February 28, 2018, a reduction of 486,000 sheets.

Hua Tang Yokado Commercial works to reduce its environmental impact by gathering products centrally before sorting and delivering them to each store. By continuously operating this scheme, the company contributes to reducing CO2 emissions by cutting the number of delivery vehicles, easing urban traffic congestion, and preventing noise and atmospheric pollution.

Chengdu Ito-Yokado

	2016	2017	2018
Number of stores	6	7	8
Energy consumption (standard coal tons)	8,984	12,067	13,516
Electricity consumption (MWh)	83,110	83,110	89,743
Gas usage (1,000 m ³)	620	670	670
Water usage (1,000m ³)	827	965	884

Hua Tang Yokado Commercial

	2016	2017	2018
Number of stores	2	1	1
Energy consumption (standard coal tons)	3,418	1,414	1,434
Electricity consumption (MWh)	19,255	7,189	7,241
Gas usage (1,000 m ³)	4,490	380	35
Water usage (1,000m ³)	130	125	41

Award History (FY2019)

Chengdu Ito-Yokado and Hua Tang Yokado Commercial received the following awards in the fiscal year ended February 28, 2019, in recognition of its various initiatives.

Chengdu Ito-Yokado

Chengdu Business Council/Sichuan Trade Council

Award Name	Presenting Organization
17th Outstanding Business/Outstanding Team Award of the 2018 Chengdu New Year Shopping Fair	Chengdu Retailers' Association
Fiscal 2018 Wuhou District Outstanding Corporate Taxpayer	Wuhou People's Government
Fiscal 2018 Top 10 Ranking of Modern Commerce & Trade Businesses by Taxes Paid	Wuhou District Government
Chengdu Leading Economic Business Enterprise	Chengdu City Government
2018 Award for Fengshang	Chengdu Economic Daily
Miniblock Commercial Assessment Innovation Award	SINA Corporation

Hua Tang Yokado Commercial

Award Name	Presenting Organization
FY2018 Class A Tax Payment Reliability Company	Chaoyang State Taxation Bureau
2018 Leading Companies with Safest Production Systems	Chaoyang District Xiaoguan Subdistrict

Initiatives in China

> [Further information about the convenience store business in China can be found here](#)

Awards and Recognition by Outside Parties

Major Awards and Recognition in the Fiscal Year Ended February 28, 2019

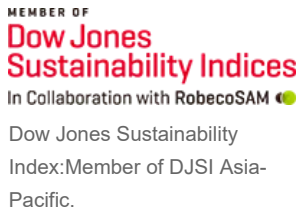
Recognition or award name	Award sponsor	Reasons for recognition	Recipient
Chosen as “2019 Semi-Nadeshiko Brand ”	Ministry of Economy, Trade and Industry and Tokyo Stock Exchange, Inc.	Seven & i Holdings has established specific targets for promoting the active role of women, and the entire Group has worked together to make progress on the targets. Recognized due to these initiatives and the proactive appointment of female managers.	Seven & i Holdings
“L-Boshi” certification	Ministry of Health, Labour and Welfare	Recognized due to achieving the designation standard in all five evaluation categories related to promoting the active role of women: recruitment, career continuation, work style factors such as working hours, management ratio, and diversity of career paths.	Seven & i Holdings
PRIDE Index 2018 Gold Rating	work with Pride	Recognized for initiatives for sexual minorities such as LGBT individuals.	Seven-Eleven Japan
App Annie Top Publisher Awards 2018 No. 1 in Japan by Lifestyle Apps Downloads	App Annie	Recognized due to distribution of coupons, participation in lucky draw games and other ways which allow rewards to be received that significantly contributed to the growth of the app market throughout the year.	Seven-Eleven Japan
Grand Prize, Women’s Employment Promotion Business Certification and Commendation Program	Nagoya City	Recognized for positioning diversity as a management issue, spot daycare to address work on holidays, which is an issue in the retail industry, introduction of company daycare centers “Seven Nanairo Nursery Schools” as a form of store support, and measures to create systems that facilitate work by diverse human resources.	Seven-Eleven Japan
Excellent Company Award , Dementia Supporter Caravan	The National Caravan–Mate Coordinating Committee	Recognized as an excellent model for the roles and actions undertaken by Ito-Yokado as a company closely tied to the lives of the elderly, including sharing information with comprehensive community support centers, and participating in neighborhood watch activities with local residents.	Ito-Yokado
Chiyoda Ward Global Warming Action Plan Program Excellence Award	Chiyoda Ward	Recognized as an excellent company with initiatives that serve as measures against global warming, such as environmental activities, environmental education, and regional contribution practiced actively on a day-to-day basis by stores.	Sogo & Seibu

Recognition or award name	Award sponsor	Reasons for recognition	Recipient
Special Award , 7th Green Social Contribution Award	Organization for Landscape and Urban Green Infrastructure	Recognized for the development of rich green spaces for the next generation where nature, people, and culture co-exist, such as undertaking activities for conservation and development centered on employee volunteers.	Sogo & Seibu
KIDS DESIGN AWARD 2018	KIDS DESIGN ASSOCIATION	The Nine Free series received this award in the design category for contributing toward safety and reliability for children. This is the eighth consecutive year the company has received awards, and a total of 22 products have been recognized.	AKACHAN HONPO
IT Business Award, 36th Information Technology Award (2018)	Japan Institute of Information Technology	Recognized for utilizing cloud platforms while maintaining existing quality; developing systems in quick and small ways; preparing for future expansions to business and systems; and services that lead to the diversification of remittance methods and better convenience for both senders and recipients.	Seven Bank

> Further information about the award history of the China superstore business can be found [here](#).

Major Recognition Regarding CSR (As of October 31, 2019)

Seven & i Holdings has been selected as a component of the following social responsible investing (SRI) indexes.



The Dow Jones Sustainability Index was launched in 1999 as the first global sustainability benchmark. It is offered by RobecoSAM and S&P Dow Jones. The series tracks the stock performance of the world's leading companies in terms of economic, environmental, and social perspectives. Seven & i Holdings has been selected as a component of the DJSI Asia Pacific index, which focuses on the Asia-Pacific region.

[> Further details about the Dow Jones Sustainability Index can be found here](#)



The FTSE4Good Index Series is created by global index provider FTSE Russell. The index is designed to measure the performance of companies demonstrating strong environmental, social and governance (ESG) practices. The FTSE4Good Index Series is widely used for creating and evaluating responsible investment funds and other financial instruments. Seven & i Holdings has been selected as a component stock of the index.

[> Further details about the FTSE4Good Index Series can be found here](#)



The FTSE Blossom Japan Index is created by global index provider FTSE Russell. The index is designed to measure the performance of Japanese companies demonstrating strong environmental, social and governance (ESG) practices. The FTSE Blossom Japan Index is widely used for creating and evaluating sustainable investment funds and other financial instruments. Seven & i Holdings has been selected as a component stock of the index.

[> Further details about the FTSE Blossom Japan Index can be found here](#)



The MSCI ESG Leaders Indexes are free float-adjusted market capitalization weighted indexes targeting companies that have the highest environmental, social and governance (ESG) rated performance. Seven & i Holdings was given a BBB rating (on a AAA to CCC ratings scale) in the MSCI ESG Ratings .

[> Further details about the MSCI ESG Leaders Indexes can be found here](#)

The inclusion of Seven & i Holdings into the MSCI indexes as well as the use of MSCI's logos, trademarks, service marks, and index names do not represent support, recommendation, nor promotion of Seven & i Holdings by MSCI or its affiliates. MSCI indexes are the sole property of MSCI. The names and logos of MSCI and MSCI indexes are trademarks or service marks of MSCI or its affiliates.



The STOXX Global ESG Leaders Index is an ESG investment index developed by STOXX, a German stock exchange group company. Selections for inclusion in the index are made based on ESG data provided by Sustainalytics.



The SNAM Sustainability Index is used by SNAM Sustainable Operations, an investment management product operated by Sompo Japan Nipponkoa Asset Management Co., Ltd. (SNAM) for pension funds and institutional investors. SNAM Sustainable Operations make broad investments in companies with high ESG ratings. The portfolio is reviewed each year based on ESG surveys and about 300 stocks are selected. Our environmental undertakings were highly evaluated, and the company was selected for including in the index.

Group Environmental Data

Challenges		Unit	FY2016	FY2017	FY2018
CO ₂ emissions*1		t-CO ₂	3,394,352	3,209,689	3,241,084
	scope 1	t-CO ₂	122,593	119,693	130,360
	scope 2	t-CO ₂	3,271,759	3,089,996	3,110,724
Electricity consumption in store operations *2		GWh	6,847	6,728	7,125
Water usage in store operations *3		1,000m ³	35,837	49,406	46,600

*1 For FY2016, totals are for 11 companies: SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, THE LOFT, SHELL GARDEN, Life Foods, and 7-Eleven, Inc. From FY2017, totals are for 12 companies due to the addition of IY Foods. (Sales of these organizations cover 96.8% of the group's total sales.)

*2 For FY2016, totals are for 15 companies: SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, THE LOFT, SHELL GARDEN, Life Foods, 7-Eleven, Inc., SEVEN-ELEVEN HAWAII, INC., SEVEN-ELEVEN(BEIJING), Chengdu Ito-Yokado, and Hua Tang Yokado Commercial. For FY2017, totals are for 17 companies due to the addition of IY Foods and Barneys Japan. For FY2018, totals are for 19 companies due to the addition of SEVEN-ELEVEN(TIANJIN) and SEVEN-ELEVEN(CHENGDU). (Their sales cover 98.2% of the group's total.)

*3 For FY2016 and FY2017, totals are for 12 companies: SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, 7-Eleven, Inc., SEVEN-ELEVEN HAWAII, INC., SEVEN-ELEVEN(BEIJING), Chengdu Ito-Yokado, and Hua Tang Yokado Commercial. For FY2018, totals are for 16 companies due to the addition of THE LOFT, SHELL GARDEN, SEVEN-ELEVEN(TIANJIN), and SEVEN-ELEVEN(CHENGDU). (Their sales cover 97.6% of the group's total sales.)

Group Personnel Data (in Japan)*1

Breakdown of number of employees (as of the end of February 2019) (persons)			
Full-time employees*2		25,328	
	Male	18,470	73%
	Female	6,858	27%
Part-time staff*3		51,251	
	Male	10,927	21%
	Female	40,324	79%
Number of employees (full-time employees + part-time staff)		76,579	
	Male	29,397	38%
	Female	47,182	62%
New graduate employees hired		859	
	Male	487	57%
	Female	372	43%
Mid-career employees hired		338	
	Male	283	84%
	Female	55	16%

Group Personnel Data (in Japan)*1

Breakdown of number of employees	FY2016	FY2017	FY2018
Average length of service (full-time employees)	16 years 2 months	16 years 1 months	16 years 9 months
	Male	17 years 6 months	17 years 5 months
	Female	12 years 8 months	13 years 0 months
Number of full-time employees who took childcare leave*4 (males, part-time staff)	1,199 (14, 593)	1,233 (10, 583)	1,205 (35, 547)
Number of full-time employees who took nursing care leave*4 (males, part-time staff)	52 (5, 39)	50 (10, 33)	54 (5, 38)
Number of volunteer leave recipients	17	27	16
Percentage of female full-time employees	26.7%	27.0%	27.1%
Number of female managers (percentage)*5	2,796 (26.8%)	2,521 (26.3%)	2,545 (27.2%)
	Team leader	1,754 (30.2%)	2,012 (30.9%)
	Section manager	677 (23.0%)	695 (24.5%)
	Division manager	74 (10.0%)	74 (7.6%)
	Corporate officer	27 (14.7%)	24 (13.2%)
Percentage of employees with disabilities*6	2.51%	2.66%	2.84%
Percentage of paid leave taken	34.7%	38.0%	45.5%
Full-time employee turnover rate	4.2%	4.5%	4.9%
	Male	3.3%	3.8%
	Female	6.3%	6.5%

*1 Totals are for eight companies: Seven & i Holdings, SEJ, IY, Sogo & Seibu, YB, Seven & i Food Systems, Akachan Honpo, and Seven Bank. (The sales of the eight companies account for 91% of the Group's sales in Japan.)

*2 Data includes 1,509 persons reemployed after mandatory retirement.

*3 Monthly average, with 8 hours/day counted as one employee. Includes contractual employees.

*4 Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

*5 Totals are for eight companies: Seven & i Holdings, SEJ, IY, Sogo & Seibu, YB, Seven & i Food Systems, Akachan Honpo, and Seven Bank. The percentage of team leaders or higher positions, excluding corporate officers. The percentage of team leaders or higher positions, excluding executive officers.

*6 The rate for the fiscal year is the rate as of June 1 of the following fiscal year. The percentage of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terube, Ltd. (special subsidiary for severe disabilities), SEJ, IY, and Seven & i Food Systems.

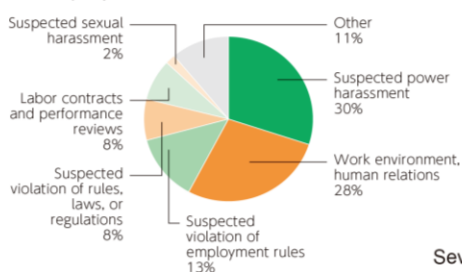
Groupwide Data for Consultation Services for Employees

At Seven & i Holdings, as part of Groupwide internal controls, we have established a Help Line for receiving consultation requests from external third-party organizations, and from internal employees.

This is a system that applies to both the employees of Seven & i Holdings and the employees of consolidated subsidiaries in Japan, being established to proactively prevent, quickly discover, promptly correct and stop reoccurrences of any behavior across the Group that would result in a loss of public trust.

	FY2016	FY2017	FY2018
Contacts received	845	1,047	1,226

Description of contacts received by Customer Response Service by topic for FY2018



Seven-Eleven Japan Co., Ltd.

Website: <https://www.sej.co.jp/social/index.html>

Number of stores as of fiscal year ended February 28, 2019: 20,876

Providing Social Infrastructure in an Era with an Aging Society and Declining Population

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Supporting carers and seniors				
	<ul style="list-style-type: none"> ●Number of mobile stores: 100 Continue implementing shopping assistance for customers who find it difficult to shop Complete entry into all areas across the country where stores are located, within the current fiscal year 	<ul style="list-style-type: none"> ●Number of mobile stores: 87 Achieved entry into 6 prefectures as new areas for stores 	△	<ul style="list-style-type: none"> ●Target number of stores: 120 Continue entry into all areas across the country where stores are located
Assisting in local community revitalization				
	<ul style="list-style-type: none"> ●Utilizing the UI Turn policy that aims to expand initiatives to encompass regional development in addition to regional contributions, we will match the promotion of store openings with regional revitalization to encourage migration to and permanent settlement within the region 	<ul style="list-style-type: none"> ●FY2018 results State of collaboration between administrative authorities web sites and web site seeking owner migration: Conducted collaboration with web sites of 28 municipalities 	△	<ul style="list-style-type: none"> ●FY2019 targets Collaboration with web sites of 50 municipalities Strengthen comprehensive collaboration with administrative authorities to resolve social issues

Providing Safety and Reliability through Products and Stores

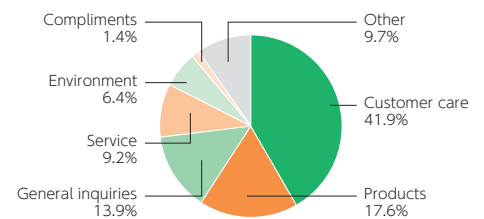
Data from Customer Response Services

The customer feedback department is strengthening its stance of being close to customers as pointed out by customers. It strives to listen attentively to customers over the telephone so as to find out the reasons why customers are angry or dissatisfied. To fundamentally address issues, opinions and issues pointed out by customers are provided as feedback to the top management and relevant departments so as to prevent similar issues from occurring.

Description of contacts received by Customer Response Service by topic for FY2018

Contacts received: 176,013

(down 1.7% from the previous fiscal year)



Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> ● Move forward with obtaining food safety management system certification based on international standards for our original product manufacturing plants 	<ul style="list-style-type: none"> ● Embarked on NDF-FSMS certification system—which is equivalent to international standards—in dedicated factories for daily foods with 30% completion ● 49% completion for Seven Premium manufacturers 	○	<ul style="list-style-type: none"> ● Complete certification of all dedicated factories for daily foods ● For Seven Premium manufacturers, promote attainment of certification (completion by end of 2020)
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> ● New stores adopting barrier-free design (installing wheelchair-accessible toilets accessible): 800 ● Number of stores to have newly installed guard pipes to prevent vehicle "dive" accidents: 800 	<ul style="list-style-type: none"> ● New stores adopting barrier-free design (installing wheelchair-accessible toilets accessible): 853 ● Number of stores to have newly installed guard pipes to prevent vehicle "dive" accidents: 1,097 	○	<ul style="list-style-type: none"> ● New stores adopting barrier-free design (installing wheelchair-accessible toilets): 550 ● Number of stores newly or additionally installed with guard pipes to prevent vehicle "dive" accidents: 500
Assuring appropriate information provision				
	<ul style="list-style-type: none"> ● Improve the frequency of updating CSR news ● Update the "Initiatives for Society and the Environment" booklet and strive for information disclosure that is easy to understand 	<ul style="list-style-type: none"> ● CSR news update frequency: 33 times (previous year: 20 times) ● Updated as the "7-Eleven Mind Book" in order to communicate Seven-Eleven's initiatives to stakeholders in an easy-to-understand way Number of survey responses: 714 * 93% of responses used as reference 	○	<ul style="list-style-type: none"> ● Improve the frequency of updating CSR news ● Strive for information disclosure about CSR activities that is easy to understand through the CSR booklet "7-Eleven Mind Book"
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> ● Expand the omni business model while strengthening coordination with related companies and responsible departments ● Active involvement in risk management 	<ul style="list-style-type: none"> ● Participated in omni business sales promotion meeting, and raised customer awareness using customer feedback department's FAQ ● Collaborated with operation consultants to raise issue of strengthening improvements for problems that repeatedly occur at individual stores 	○	<ul style="list-style-type: none"> ● Work on ways to provide information such that customers can resolve inquiries on their own. Work on improving the cause of occurrence ● Systematize the consolidation of issues pointed out by customers, and strengthen involvement of on-site staff so as to resolve problems even earlier
Providing support in times of disaster				
	<ul style="list-style-type: none"> ● Implement effective training, including for business partners, and enhance cooperation with the national government and local governments in order to fulfill infrastructure functions, including the continuation of store operations at the time of a disaster 	<ul style="list-style-type: none"> ● During disasters such as the heavy rain in Western Japan and Hokkaido Eastern Iburi Earthquake, cooperated with government agencies such as the Cabinet Office and Ministry of Economy, Trade and Industry so as to smoothly continue store operations and reopen stores early. Responded as far as possible to requests for relief provisions from local governments of disaster areas 	△	<ul style="list-style-type: none"> ● Sort out implementation of disaster support agreements, and at the same time, implement effective training, including for business partners, and enhance cooperation with the national government and local governments in order to fulfill infrastructure functions, including the continuation of store operations at the time of a disaster
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> ● Collaborate with prefectural police and local police stations in sharing holding information and so on, and achieve a participation rate for crime prevention drills and seminars of 50% or higher 	<ul style="list-style-type: none"> ● 7,031 stores (34.7%) participated in crime prevention drills and seminars. In addition to conventional theft prevention training, worked to revise the content and implement drills for special fraud prevention training and so on based on social conditions 	△	<ul style="list-style-type: none"> ● Collaborate with prefectural police and local police stations in sharing information, and achieve a participation rate for crime prevention drills and seminars of 50% or higher

Non-Wasteful Usage of Products, Ingredients and Energy

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Attaining an appropriate grasp of environmental impact				
	●Review the EMS system based on ISO 14001 and thoroughly inspect each departments' initiatives	●Strengthened the EMS system based on ISO 14001 standard. Achieved highest number of good points (high evaluation) so far in audits	○	●Achieve even more good points (high evaluation) than FY2018 by further pushing ahead with the EMS system based on ISO 14001
Improving energy efficiency and introducing renewable energy				
	●Introduce new highly energy-efficient LED illumination for 5,000 stores or more (total including replacement stores) ●Expand the number of eco-friendly vehicles within the logistics' deliveries fleet to 970	●Number of stores using new LED illumination (total including new stores and replacement stores): 4,938 stores ●Expanded the number of eco-friendly vehicles within the logistics' deliveries fleet to 981	△ ○	●Introduce highly energy-efficient LED illumination for 1,600 stores (total including new stores and replacement stores) ●Expand the number of eco-friendly vehicles within the logistics' deliveries fleet to 1,110
Reducing waste and developing a recycling-oriented society				
	●Reduce plastic bag usage per store to a level below FY2017 ●Food product recycling rate: Achieve 55.0% or higher	●Plastic bags usage per store FY2018: 959.3 kg* ●Food product recycling rate: 54.4% (+0.1% from the previous year)	× △	●Reduce plastic bag usage per store to a level below FY2018 ●Food product recycling rate: Achieve 55.0% or higher
Raising environmental awareness among employees				
	●A total of 2,800 employees to pass the Eco Test ●Inform those who take the Eco Test about environment-related volunteer activities	●A total of 2,833 employees passed the Eco Test ●Informed those who take the Eco Test about environment-related volunteer activities	○ ○	●Annual number of employees who pass the Eco Test: 1,000 Total cumulative number of employees who passed the Eco Test: 3,800 ●Inform those who take the Eco Test about environment-related volunteer activities

* The recommendation of biomass shopping bags was expanded to the whole of Japan in FY2018, and usage volume increased compared to the previous year as biomass shopping bags are heavier than existing plastic bags.

Environmental Data

Challenges	Unit	FY2016	FY2017	FY2018
CO ₂ emissions*1 *2 *3	t-CO ₂	1,652,789	1,672,443	1,578,963
CO ₂ emissions from store operations (per store)*1 *3	t-CO ₂	1,430,723(73.7)	1,449,109(71.5)	1,350,259 (64.6)
CO ₂ emissions from logistics (per store)*1 *4	t-CO ₂	218,927(11.3)	220,357(10.9)	225,959(10.8)
Electricity consumption in store operations (per store)*1 *3	GWh(MWh)	2,718(140)	2,807(139)	2,888(138)
Water usage in store operations*1 *5	1,000m ³	25,803	27,125	23,047
Plastic bag usage per store (by weight)	t	0.95	0.88	0.95
Waste disposal (recycling rate)*6	t (%)	422,116(45.4)	382,003(44.1)	366,920(57.8)
Food waste recycling rate*7	%	53.4	54.3	54.4

*1 The period of the calculations was from April to March.

*2 This data represents CO₂ emissions stemming from the use of energy in store, Head Office and logistics center operations and by delivery trucks.

*3 Calculations are based on estimated electricity consumption for stores where data was not available.

*4 This data represents CO₂ emissions stemming from the use of energy for distribution center operation and delivery trucks.

*5 Calculations are based on estimated water usage in prefectural capitals and Tokyo.

*6 Waste disposal and recycling rate excluding food waste. Calculations are based on estimated emissions by the stores in Tokyo, Kyoto, etc. The period of the calculations was from April to March. The amount of food waste was calculated based on the standard of *7

*7 Calculated based on the reports submitted by food recycling companies. The period of the calculations was from April to March.

Supporting the Active Role of Women, Youth and Seniors within and outside the Group

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> ● In addition to education about compliance and CSR for all employees who used e-learning, enhance compliance training for active store staff 	<ul style="list-style-type: none"> ● Conducted 3 e-learning lectures related to CSR targeting all employees ● Conducted monthly compliance-related e-learning lectures for employees working at stores 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ● Conduct CSR e-learning for all employees ● Conduct monthly compliance-related e-learning for employees working at stores ● Raise awareness during regular training
Assuring fair assessment and treatment of employees				
	<ul style="list-style-type: none"> ● Implement manager training for the development and further establishment of the evaluation system 	<ul style="list-style-type: none"> ● Revised a part of the system and completed manager training preparation for the development and establishment of the evaluation system 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ● Conduct continuous manager training for the further penetration and establishment of the evaluation system
Achieving a work-life balance				
	<ul style="list-style-type: none"> ● Begin utilizing the staggered working hours starting in April across the whole company and create more flexible work styles ● Get all employees to take five or more days of paid leave per year 	<ul style="list-style-type: none"> ● Began utilizing the staggered working hours starting from April 16 across the whole company ● More than 80% of employees took five or more days of paid leave 	<ul style="list-style-type: none"> ○ △ 	<ul style="list-style-type: none"> ● Review the system for staggered working hours to make it easier to use after listening to the opinions of employees ● Encourage all employees to take long periods of leave, and create working environments where paid leave can be taken even more easily
Making use of diverse human resources				
	<ul style="list-style-type: none"> ● Number of people with disabilities to be employed: 37 ● Percentage of female managers (Team leader or higher positions): 32.0% 	<ul style="list-style-type: none"> ● Number of people with disabilities that were employed: Approximately 60% of target (23 employees) ● Percentage of female managers (Team leader or higher positions): Approximately 90% of target (27.3%) 	<ul style="list-style-type: none"> △ △ 	<ul style="list-style-type: none"> ● Percentage of employees with disabilities: 2.2% Assign in-house job coach Expand system of in-house job coaching by specially-appointed employees so as to strengthen support for establishing employees with disabilities at the workplace System of 11 employees in FY2019 ● Percentage of female managers: 30% Expand "Spot Day Care" initiative Expand area of "Spot Day Care" to the whole of Japan so as to support employees working on holidays From 28 business offices in FY2018, it will be extended to 36 offices in FY2019 so that it can be used at all offices
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> ● Implement mental health training for managers ● Reduce the number of workplace accidents compared to FY2017 	<ul style="list-style-type: none"> ● Conducted training 14 times with a total of 389 participants ● Reduced from FY2017 FY2017: 176 accidents FY2018: 172 accidents (less by 4 accidents compared to previous year) 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ● Expand mental health training for managers to sites ● Disseminate information about proactively preventing workplace accidents Reduce number of accidents compared to FY2018

Personnel Data

Breakdown of number of employees (as of the end of February 2019)		(persons)
Full-time employees*1		8,878
	Male	6,360
	Female	2,518
Part-time staff*2		5,392
	Male	2,404
	Female	2,988
Number of employees (full-time employees + part-time staff)		14,270
	Male	8,764
	Female	5,506
New graduate employees hired		440
	Male	275
	Female	165
Mid-career employees hired		278
	Male	241
	Female	37

	FY2016	FY2017	FY2018
Average length of service (full-time employees)	9 years 2 months	8 years 10 months	9 years 0 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	251 (1, 4)	283 (4, 4)	316 (16, 2)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	4 (4, 0)	7 (5, 0)	8 (4, 0)
Number of volunteer leave recipients	8	1	0
Number of female managers (percentage)**4	291 (31.0%)	288 (30.5%)	247 (26.2%)
	Section manager	280 (34.4%)	240 (29.4%)
	Division manager	9 (8.0)	7 (5.4)
	Corporate officer	3 (13.0)	4 (16.7%)
Percentage of employees with disabilities*5	2.16%	2.17%	2.30%
Percentage of paid leave taken by full-time employees	62.4%	65.2%	80.1%
Frequency rate of workplace accidents	0.04	0.19	0.53
Severity rate of workplace accidents	0.00	0.00	0.03

*1 Data includes 84 persons reemployed after mandatory retirement.

*2 Monthly average, with 8 hours/day counted as one employee. Includes contractual employees.

*3 Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

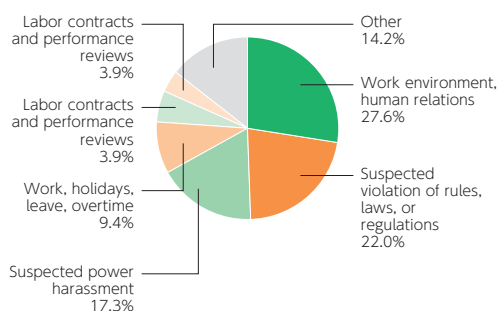
*4 Section manager or higher.

*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

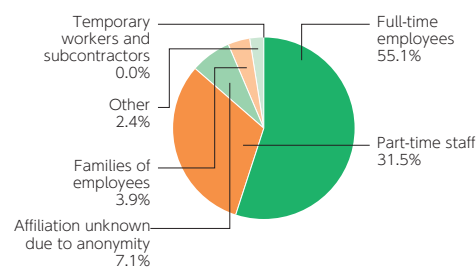
Data for Consultation Services for Employees

As a result of conducting awareness surveys regarding the workplace environment for all employees, and at the same time informing everyone about the in-house reporting system and increasing the number of employee consultation centers, etc., the total number of consultations has been increasing. Seven & i Holdings has prepared a system to help resolve each consultation. In addition, we are working to acquire knowledge and foster awareness by implementing training about compliance and introducing e-learning.

Description of contacts received by Customer Response Service by topic for FY2018 Contacts received: 127 (up 17.5% from the previous fiscal year)



By user category



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

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Offering eco-friendly products	<ul style="list-style-type: none"> ● Successively replace the paper used for daily food labels with light labels that use approximately 25% less paper, including the mounts ● Change from the 100% plastic materials used for the cold insulation boxes for New Year dishes to cardboard and eco-friendly heat insulation board (starting with a portion of items) 	<ul style="list-style-type: none"> ● Replaced the paper used for labels of chilled boxed lunches with light labels that use approximately 25% less paper, including the mounts. Expand successively in the future ● Changed from the 100% plastic materials used for the cold insulation boxes for New Year dishes to cardboard and eco-friendly heat insulation board (Kagaya two-tier box, delivery three-tier box) 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ● Change to plant-based packaging film for all products in rice ball category ● Reduce the size of wet towels distributed at stores by 25%

Providing Social Infrastructure in an Era with an Aging Society and Declining Population

FY2018 Targets/Results and FY2019 Targets

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

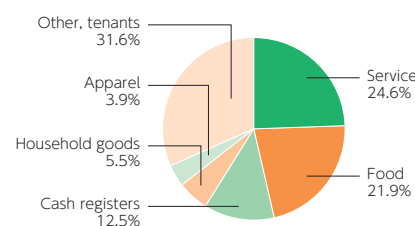
Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Supporting carers and seniors	<ul style="list-style-type: none"> ● Develop everything from products that address price issues to functional products that resolve customer complaints Developed products: 120% increased performance, developed product distribution ratio: 30% ● Coordinate with other departments Implement sales promotion activities and product launches for related products such as cosmetics, medical products, etc. Target number of customers: 10% increase compared to the previous year 	<ul style="list-style-type: none"> ● Sales of developed products: 927 million 11% increase compared to previous year; distribution ratio: 31% ● 12% increase in number of customers compared to previous year 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ● Sales of developed products: 950 million 3% increase compared to previous year; distribution ratio: 33% ● 5% increase in number of customers compared to previous year Providing Safety and Reliability through Products and Stores

Providing Safety and Reliability through Products and Stores

Data from Customer Response Services

Contacts received from customers were down by 16% from the previous fiscal year. In addition, service complaints, which comprise 25% of total contacts, declined by 34% compared to the previous fiscal year. We will continue to analyze the cause of complaints and take steps to prevent a recurrence and reduce service complaints.

Description of contacts received by Customer Response Service by topic for FY2018
Contacts received: 44,754
(down 16% from the previous fiscal year)



FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> ● Reduce the number of complaints with stores related to lack of freshness and foreign substances being mixed in, primarily of food items, to 70% compared to the number of cases in FY2017 	<ul style="list-style-type: none"> ● Complaints related to food items 72% compared to previous year; 6,295 fresh produce complaints: 75% compared to previous year 	△	<ul style="list-style-type: none"> ● For FY2019, also 70% compared to previous year ● Especially focus on the reducing the lack of freshness in fresh produce as the priority issue
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> ● Complete a procedure manual that makes it easy to understand what stores should do in the event of a disaster ● Review the procedure manual concerning the Head Office's initial responses and action plan ● Make sure employees are aware of the contents of the completed procedure manual 	<ul style="list-style-type: none"> ● The earthquake edition of the large-scale disaster countermeasures manual was split into the core section, Head Office section, and store section to create manuals which state the actions to be taken respectively in an easy-to-understand way ● The completed manual was posted on the bulletin board of the portal site for the thorough awareness of employees 	○ ○ ○	<ul style="list-style-type: none"> ● Review and establish IY's communication method for disasters (radios, etc.) ● Confirmed changes such as damage predictions by government agencies and reflected them in the countermeasures manual, etc.
Assuring appropriate information provision				
	<ul style="list-style-type: none"> ● Improvement plans to be created based on the actual situation with labels at stores, and information is to be shared at weekly sales meetings 	<ul style="list-style-type: none"> ● Conducted sharing of information every Monday, and explained items of note for that week and initiatives for subsequent weeks 	○	<ul style="list-style-type: none"> ● Continue to use weekly sales meetings to share information with stores
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> ● Verify results with regard to how customer requests and complaints are handled more visibly and address customer concerns ● In terms of service complaints, make particular effort to reduce customer complaints ● Aim for a 20% reduction, or 18,400 cases, in FY2018 compared to FY2017 	<ul style="list-style-type: none"> ● All issues pointed by customers and complaints were converted to data and visualized. As a result, became able to understand trends and measures in a timely manner. Actual customer responses: 3,496 cases, 79% compared to previous year ● Service complaints: 16,615 complaints, 73% compared to previous year 	○ ○ ○	<ul style="list-style-type: none"> ● Continue to convert details of issues pointed by customers and requests to data for continuous improvement/revisions ● For FY2019, again seek to reduce complaints about customer responses by 20% compared to the previous year
Providing support in times of disaster				
	<ul style="list-style-type: none"> ● Conclude disaster support agreements with local governments, etc., at store-opening locations where there are no agreements yet ● Successively review the contents of agreements concluded in the past 	<ul style="list-style-type: none"> ● New material support agreements concluded with Yao City, Nerima Ward, Miyagi Prefecture, Katsushika Police Station, and Fukagawa Fire Station ● Reviewed details of agreements with Kazo City, Urayasu City, Kashiwa City, Koganei Fire Station, etc. that were concluded in the past ● Participated in disaster prevention drills arranged by local governments, etc., that have concluded agreements (material support, etc.) 	○ ○	<ul style="list-style-type: none"> ● Review form for disaster support agreements, and conclude disaster support agreements with local governments, etc., at store-opening locations where there are no agreements yet ● Successively review the contents of agreements concluded in the past

Non-Wasteful Usage of Products, Ingredients and Energy
FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> ● Introduce LED lighting at 78 stores and replace fluorescent tubes with LED bulbs ● Introduce inverters for air conditioning control at 10 stores ● Delivery distance per store: 225,000 km Calculate from average number of stores operational in FY2017 	<ul style="list-style-type: none"> ● Introduced LED lighting at 75 stores ● Introduced inverters for sales area air conditioning control at 21 stores ● Delivery distance per store: 156,000 km Calculate from average number of stores operational in FY2018 	△ △ ○	<ul style="list-style-type: none"> ● Introduce LED lighting for sales areas, BR, and multi-story car parks at 34 stores ● Introduce inverters for sales area air conditioning control at 8 stores ● Delivery distance per store: 155,000 km Calculate from average number of stores operational in FY2019
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> ● Food waste recycling rate: 55.0% ● Stores that implement recycling: 90 stores 	<ul style="list-style-type: none"> ● Food product recycling rate: Achieve 55.1% (increase of 1.9% compared to previous year) ● Stores that implemented recycling: 83 stores (decrease of 7 stores compared to previous year) 	○ ×	<ul style="list-style-type: none"> ● Food product recycling rate: 56.0% (rigorously sort waste by using measuring equipment) ● Stores that implement recycling: 90 stores (new channels + dominant)
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> ● Employees to pass the Eco Test: 300 	<ul style="list-style-type: none"> ● Number of employees that passed the Eco Test: 571 	○	<ul style="list-style-type: none"> ● FY2019 target number of employees who take the Eco Test: 2,370 Aim for a passing rate of 90%

Environmental Data

Challenges	Unit	FY2016	FY2017	FY2018
CO ₂ emissions* ¹ * ² * ³	t-CO ₂	499,383	464,556	452,906
CO ₂ emissions from store operations* ¹ * ³ (Environmental impact index* ⁴)	t-CO ₂ (t-CO ₂ /1,000,000m ² × 1,000h)	474,179 (96)	441,313 (93)	428,636 (92)
CO ₂ emissions from delivery vehicles * ¹ * ³	t-CO ₂	24,896	22,932	21,454
Electricity consumption in store operations * ¹	GWh	826	767	745
Water usage in store operations* ¹	1,000m ³	6,649	6,264	6,138
Plastic bag usage (turndown rate) at the food section	t (%)	1,219(71.5)	1,033(71.6)	1,012(72.7)
Waste disposal	t (%)	136,078	124,349	125,267
Food waste recycling rate	%	52.1	53.2	55.1

*1 The period of the calculations was from April to March.

*2 This data represents CO₂ emissions stemming from the use of energy for store, Head Office, training center and logistics center operations and by delivery trucks.

*3 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual.

*4 CO₂ emissions per (total sales floor area × opening hours).

Supporting the Active Role of Women, Youth and Seniors within and outside the Group

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> ● Provide intensive training to help new part-time staff obtain fundamental knowledge and skills and be ready to contribute from early on ● Create a management standards document and conduct divisional training primarily through OJT by supervisors and group training by trainers 	<ul style="list-style-type: none"> ● Conducted 3 days of training per week for 4 weeks for new partner employees when they join the company Difficult to connect to OJT in stores Number of participants: 80; participation rate: 27% ● Conducted training at model stores for new managers and responsible personnel Learned about the actual differences between model stores and own store, thought about how to become a model store, and implemented 	<ul style="list-style-type: none"> △ ○ 	<ul style="list-style-type: none"> ● Change training period to 2 days each week for 4 weeks so as to achieve a combination between training and store OJT. Repeat the cycle of "training⇒store practice⇒training⇒implementation" Target number of participants: 150; target participation rate: 50% ● Conduct divisional training for current managers in collaboration with product departments and SV about product development criteria and management of product groups in the power category
Making use of diverse human resources				
	<ul style="list-style-type: none"> ● To promote respect for human rights and normalization, conduct training through study and role-playing from customers' perspectives and promote knowledge and understanding in the workplace 	<ul style="list-style-type: none"> ● Training conducted: 73 times Total participants: 1,728 	○	<ul style="list-style-type: none"> ● Aim to train employees who can act based on correct understanding and recognition of respect for human rights and diversity and the promotion of normalization
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> ● Reduce cases of serious work accidents resulting in four or more days of work missed to 90% compared to the previous year ● Continue conducting training related to mental health for corporate officers 	<ul style="list-style-type: none"> ● 2017: 125 cases 2018: 133 cases, 106.4% ● FY2018 mental health training Conducted a total of 18 times in both halves 	<ul style="list-style-type: none"> × ○ 	<ul style="list-style-type: none"> ● Reduce cases of serious work accidents resulting in four or more days of work missed to 90% compared to the previous year (take on challenge again) ● Conduct level-specific training about mental health and harassment

Personnel Data

Breakdown of number of employees (as of the end of February 2019)		(persons)
Full-time employees*1		7,343
	Male	5,325
	Female	2,018
Part-time staff*2		22,422
	Male	4,293
	Female	18,129
Number of employees (full-time employees + part-time staff)		29,765
	Male	9,618
	Female	20,147
New graduate employees hired		106
	Male	42
	Female	64
Mid-career employees hired		7
	Male	5
	Female	2

	FY2016	FY2017	FY2018
Average length of service (full-time employees)	22 years 1 month	22 years 10 months	24 years 7 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	412 (3, 233)	302 (2, 184)	323 (3, 183)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	20 (1, 13)	20 (0, 17)	32 (1, 26)
Number of volunteer leave recipients	6	3	4
Number of female managers (percentage)**4	844 (25.6%)	948 (24.2%)	798 (26.3%)
	Team leader	859 (27.2%)	707 (30.9%)
	Section manager	72 (14.0%)	71 (13.8%)
	Division manager	20 (9.7%)	20 (8.8%)
	Corporate officer	4 (16.7%)	2 (9.5%)
Percentage of employees with disabilities	2.56%	2.77%	2.99%
Percentage of paid leave taken by full-time employees	18.1%	17.7%	26.3%
Frequency rate of workplace accidents	1.43	1.45	1.65
Severity rate of workplace accidents	0.03	0.04	0.04

*1 Data includes 783 persons reemployed after mandatory retirement.

*2 Monthly average, with 8 hours/day counted as one employee. Includes contractual employees.

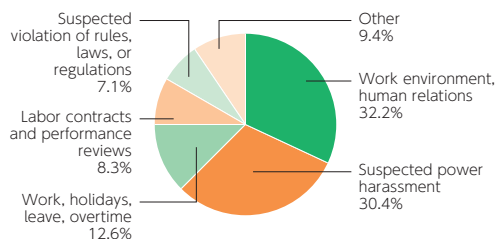
*3 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

*4 The percentage of team leaders or higher positions.

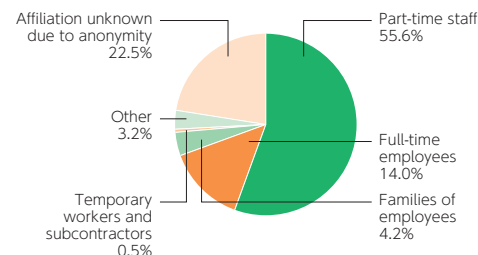
Data for Consultation Services for Employees

The number of consultations in FY2018 increased 31.4% compared to FY2017. The Group will continue striving to create workplaces that make communication easy, through rigorous operational management and leading by example by upper management.

Description of contacts received by Customer Response Service by topic for FY2018 Contacts received: 435 (up 31.4% from the previous fiscal year)



By user category



Providing Social Infrastructure in an Era with an Aging Society and Declining Population

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Supporting carers and seniors	<ul style="list-style-type: none"> ●Continue Pre-Mama Stations and Counters and hold parent-child participation events and maternity classes ⇒Not midwives alone, but coordinate with specialized sales staff and business partner staff and further flesh out the contents ●Continue social media outreach ●New development Shoe fitters: 10 Formal-wear advisors: 5 Shopping supporters for the elderly and people with disabilities: 15 ●Supporters of people with dementia: 717 Accumulated total: 5,000 ●Children's shoes: trade in 90,730 pairs 	<ul style="list-style-type: none"> ●Pre-Mama Stations and Counters: 15,708 users (including 4,782 repeaters): In addition to parent-child participation events, conducted maternity classes and also lectures in collaboration with business partners ●Strengthened customer development through social media outreach (as services using social media has almost come full circle, shifted to organizing events, etc.) ●New development (achievements) Shoe fitters: 6 Formal-wear advisors: 8 Shopping supporters for the elderly and people with disabilities: 30 ●Supporters of people with dementia: 428 Accumulated total: 4,711 ●Children's shoes: trade in 95,315 pairs 	<ul style="list-style-type: none"> ○ △ △ × ○ 	<ul style="list-style-type: none"> ●Continue Pre-Mama Stations and Counters, and hold parent-child participation events, maternity classes, and lectures in collaboration with business partners ●Reinforce initiatives to expand number of users (notifications, frequency of events, review of business partner collaboration projects) ●New development (targets) Shoe fitters: 10 Formal-wear advisors: 5 Shopping supporters for the elderly and people with disabilities: 15 ●Supporters of people with dementia: 489 Accumulated total: 5,200 ●Children's shoes: trade in 91,644 pairs
Assisting in local community revitalization	<ul style="list-style-type: none"> ●Continue to conduct localized events ●Continue to improve convenience when voting by establishing polling stations for early voting ●Using stores as the main vehicle, introduce various traditions, techniques, cultures, region-limited products, and local specialty goods, and promote sales ●Strengthen information sharing, notifications and sales of each region-limited product and specialty goods among stores 	<ul style="list-style-type: none"> ●Conducted events in partnership with local communities (governments, schools, etc.) such as the Green Curtain Project, water sprinkling activities, work experiences, and food bank campaigns (all stores) ●Established a polling station for early voting in four stores (Ikebukuro main store, Chiba, Higashi-Totsuka, Fukui) ●Provided spaces for performances by local school, clubs, etc. (all stores) ●Kanagawaya, a store selling products from Kanagawa Prefecture, opened at B2 floor of Sogo Yokohama store ●Held regular events, and featured local products as ochuugen and oseibo (summer and winter) gifts 	<ul style="list-style-type: none"> ○ ○ ○ ○ ○ 	<ul style="list-style-type: none"> ●Conduct education for the next generation linked to SDGs (Green Curtain Project, water sprinkling activities, work experiences, food bank campaigns, summer vacation SDG events, etc.) ●Continue to improve convenience when voting by establishing polling stations for early voting ●Continue to use stores as the main vehicle, introduce various traditions, techniques, cultures, region-limited products, and local specialty goods, and promote sales ●Continue to strengthen information sharing, notifications and sales of each region-limited product and specialty goods among stores ●Address LGBT issues Encourage understanding in partnership with local communities such as governments, and conduct training for employees ●Partner local universities Conduct dispatch lessons and events centered on students

Providing Safety and Reliability through Products and Stores

Data from Customer Response Services

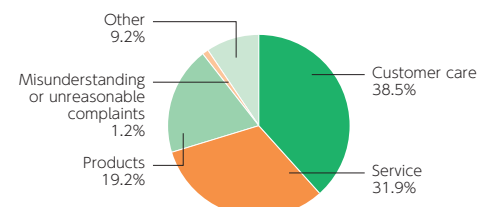
We continued to share internally the customers' opinions sent to the customer consultation desks at each store, so that they could be used to improve our customer care services and operations, together with our product lineups, ancillary services and facilities.

We have promoted activities to resolve areas where customers were dissatisfied, and to reflect customer needs in our operating strategies. In addition, we established a customer response desk for customers of stores that had finished operations.

In the future, we will ascertain customers' wishes from the opinions that we receive, provide products and services required by customers, and stores and Head Office will collaborate to work on improving and maintaining customer satisfaction.

Description of contacts received by Customer Response Service by topic for FY2018

Contacts received: 7,572
(up 11.4% from the previous fiscal year)



Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> ● Continue to improve hygiene management knowledge of the front-line staff ● Clearly identify issues pertaining to food sanitation at each store and implement PDCA activities for the Store Product Quality Management Committee ● Have sample verification tests performed by a specialized institution on products in the clothing and general goods categories ● Continue level-specific training to improve front-line staff skills 	<ul style="list-style-type: none"> ● Used a booklet on the fundamentals of food sanitation management, videos, and DVDs for training, at morning and afternoon meetings, and for onsite instruction ● The Store Product Quality Management Committee sorted, improved, and verified issues on a monthly basis ● Conducted sample testing of baby clothes, ladies' apparel, seasonal products, etc. each month based on a monthly theme ● Implemented level-specific training to improve front-line staff skills 19 times 	<ul style="list-style-type: none"> ○ ○ ○ ○ 	<ul style="list-style-type: none"> ● Continue to improve hygiene management knowledge of the front-line staff ● Continue to clearly identify issues pertaining to food sanitation at each store and implement PDCA activities for the Store Product Quality Management Committee ● Continue to have sample verification tests performed by a specialized institution on products in the clothing and general goods categories ● Continue level-specific training to improve front-line staff skills
Maintain more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> ● Renovate the multi-purpose toilets at the Yokohama store ● Continue inspections from a universal design perspective 	<ul style="list-style-type: none"> ● Together with the review of the store renovation plan, toilet renovation has also been postponed to FY2019 ● Shibuya store Installed board for communication via writing at information counter Installed mirrors to check behind inside elevators 	<ul style="list-style-type: none"> × ○ 	<ul style="list-style-type: none"> ● Renovate the multi-purpose toilets at the Yokohama store ● Continue inspections from a universal design perspective
Assuring appropriate information provision				
	<ul style="list-style-type: none"> ● Cooperate with specialist organizations to check and inspect both food product labeling, and continue to implement appropriate labeling and information disclosure 	<ul style="list-style-type: none"> ● Conducted 165 inspections by specialist organizations on labeling of food products, beverages (kitchen and sales area), clothing, and general goods 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ● Cooperate with specialist organizations to check and inspect labeling, and continue to implement appropriate labeling and information disclosure
Responding sincerely to customers' opinions (organization)				
	<ul style="list-style-type: none"> ● Ascertain customers' opinions from their feedback and get stores and Head Office to work together to promote further improvement in customer service awareness among employees ● Reduce the number of complaints from customers: Below 3,100 	<ul style="list-style-type: none"> ● Continued to send out a weekly Attentive Service newsletter leveraging customers' opinions, and continuously implemented activities to resolve complaints and improve customer service awareness ● 2,991 complaints (119 complaints less than target) 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ● Sincerely listen to customers' opinions from their feedback and get stores and Head Office to work together to resolve problem so as to promote further improvement in customer service awareness among employees ● Reduce the number of complaints from customers: Below 2,900
Providing support in times of disaster				
	<ul style="list-style-type: none"> ● Collaborate with local governments and companies, including through existing regional comprehensive agreements and measures for people having difficulties in going home in the event of large earthquakes, and strengthen involvement in systems of cooperation and regional vitalization ● Through the holding of events such as disaster preparedness fairs, promote activities that raise the awareness of disaster-preparedness in cooperation with local communities 	<ul style="list-style-type: none"> ● Conducted disaster-preparedness training and education at all stores together with fire prevention week, disasters and volunteers week, etc. ● Actively participated as a local business in Council to Address People Experiencing Difficulty Getting Home and Council to Address Overcrowding Around Train Stations in partnership with government agencies such as ward municipal offices, police stations, and fire stations ● Continued to participate in in-house fire-fighting examination boards and local disaster-preparedness training sessions in partnership with local fire stations as part of employee education. Promoted activities in partnership with local communities to raise awareness ● Promoted activities to raise disaster-preparedness awareness in customers through conduct of "Fire Station at Work" drawing contests in partnership with local fire stations (Ikebukuro main store) 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ● Continue to collaborate with local governments and companies, including through existing regional comprehensive agreements and measures for people having difficulties in going home in the event of large earthquakes ● Through the holding of events such as disaster preparedness fairs, continue to promote activities that raise the awareness of disaster-preparedness in cooperation with local communities
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> ● On an ongoing basis, cooperate with local communities and their disaster preparedness and crime prevention systems 	<ul style="list-style-type: none"> ● Conducted anti-terrorism training in partnership with local businesses and police officials, and participated in crime-prevention patrols, etc. Participated in police administration as a member of the Police Station Council (Ikebukuro main store) 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ● Continue to come together as one with local businesses, and strengthen communication with the police officials

Non-Wasteful Usage of Products, Ingredients and Energy

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Attaining an appropriate grasp of environmental impact				
	<ul style="list-style-type: none"> ●Expand recommendations in periodic ISO audits and reduce items indicated by audits 	<ul style="list-style-type: none"> ●Recommendations: 7 (up 3 compared with before) Items indicated by audits: 6 (no change) ●Unacceptable items: 0 (no change) 	○	<ul style="list-style-type: none"> ●Expand recommendations in periodic ISO audits and reduce items indicated by audits
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> ●Reduce by 1% on an operating store basis ●Continue to expand the introduction of LED lighting 	<ul style="list-style-type: none"> ●Reduced by 1.29% compared to previous year ●Invested 2.66 million yen in 9 stores 	○ ○	<ul style="list-style-type: none"> ●Reduce by 1% on an operating store basis ●Continue to expand the introduction of LED lighting
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> ●Food waste recycling rate: 71.0% (up 1.6% from the previous year) ●Waste recycling rate: 70.0% (up 2.7% from the previous year) ●Continue to improve waste recycling rate through more thorough separation of waste 	<ul style="list-style-type: none"> ●Food waste recycling rate: 72.2% (up 2.8% from the previous year) ●Waste recycling rate: 69.6% (up 2.3% from the previous year) 	○ △	<ul style="list-style-type: none"> ●Food waste recycling rate: 73.2% (up 1.0% from the previous year) ●Waste recycling rate: 70.6% (up 1.0% from the previous year) ●Continue to improve waste recycling rate through more thorough separation of waste (continuation)
Implementing measures to conserve biodiversity				
	<ul style="list-style-type: none"> ●Tree planting: 1,500 trees ●Green wrapping (targets): 63,180 gifts ●Conducted tree planting activities through employee volunteers 	<ul style="list-style-type: none"> ●Tree planting: 1,446 trees ●Green wrapping: 54,766 gifts ●Conducted tree planting activities through employee volunteers (Fuefuki City in Yamanashi Prefecture) 	△ × ○	<ul style="list-style-type: none"> ●Tree planting: 1,500 trees ●Green wrapping (targets): 54,009 gifts ●Conduct tree planting activities through employee volunteers
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> ●Environmental e-learning courses: All employees to take ●Number of employees taking the Eco Test: 140 Pass rate: 90% ●Create the best proposal for the CSV Idea Competition 	<ul style="list-style-type: none"> ●Environmental e-learning courses: Taken by all employees ●Number of employees who took the Eco Test: 111 Pass rate: 93.7% ●CSV Idea Competition "Shibuya Remake Bag Project" (October 9 to November 5) Created and sold bags using used banners through public-private-academic partnership within Shibuya Ward 	○ △ ○	<ul style="list-style-type: none"> ●Environmental e-learning courses: Taken by all employees ●Number of employees taking the Eco Test: 140 Pass rate: 90% ●Create the best proposal for the 2nd CSV Idea Competition

Environmental Data

Challenges	Unit	FY2016	FY2017	FY2018
Number of stores	Stores	23	17	15
CO ₂ emissions*1 *2 *3	t-CO ₂	171,690	142,853	123,507
CO ₂ emissions from store operations*1 *3	t-CO ₂	171,052	142,241	123,062
Electricity consumption in store operations *1	GWh	315	261	221
Electricity consumption in store operations *1	1,000m ³	2,128	1,855	1,656
Container and packaging materials consumption	t	1,395	1,276	1,280
Waste disposal (recycling rate)	t (%)	29,390(62.4)	24,310(67.3)	21,226(69.6)
Food waste recycling rate	%	61.7	69.4	72.2

*1 The period of the calculations was from April to March.

*2 The date represents CO₂ emissions stemming from the use of energy for store, corporate sales, Head Office, and distribution center operations.

*3 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual.

Supporting the Active Role of Women, Youth and Seniors within and outside the Group

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> ● New seminar participants: 2,000 participants ● Self-Directed Sales Area Training Course: 1,400 participants ● Career Advancement Course: 600 participants 	<ul style="list-style-type: none"> ● New seminar participants: 1,900 participants (breakdown) ● Self-Directed Sales Area Training Course: 1,200 participants ● Career Advancement Course: 700 participants 	△	<ul style="list-style-type: none"> ● New seminar participants: 1,800 participants (breakdown) ● Self-Directed Sales Area Training Course: 1,200 participants ● Career Advancement Course: 600 participants
Achieving a work-life balance				
	<ul style="list-style-type: none"> ● Obtain "L-Boshi" certification ● Expand reduced work hour shift system ● Increase the number of employees using leave for childcare, nursing care, and family care 	<ul style="list-style-type: none"> ● September 2018 Acquired 3rd stage "L-Boshi" certification ● Introduced new system which allows the securing of planned shifts ● Employees who took leave for childcare, nursing care, and family care: 211 (similar level compared to previous year) ● Introduced examples of male employees taking childcare leave in September/October issue of company newsletter 	<ul style="list-style-type: none"> ○ ○ △ 	<ul style="list-style-type: none"> ● Review annual total working hours (enhance annual statutory holidays) ● Encourage taking of annual paid leave (increase maximum number of half-day leave) ● Review leave system of partner employees ● Further spread awareness of childbirth and childcare support systems
Making use of diverse human resources				
	<ul style="list-style-type: none"> ● Appointed 50 people from contractual employees to full-time employees ● Hire 5 mid-career specialist employees ● Percentage of female managers (section manager or higher positions): 13% * FY2020 target: 20% 	<ul style="list-style-type: none"> ● Appointed 57 people from contractual employees to full-time employees (114% of target) ● Hired 5 mid-career specialist employees ● Percentage of female managers (section manager or higher positions): 13.1% (39 managers) 0.1% above target 	<ul style="list-style-type: none"> ○ ○ ○ 	<ul style="list-style-type: none"> ● Appointed 50 people from contractual employees to full-time employees ● Hire 5 mid-career specialist employees * Conduct only in first half of FY2019 ● Percentage of female managers (section manager or higher positions): 15.1% (45 managers)
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> ● Deploy health promotion activities at each business site to improve the health of employees who have a BMI of 25 or higher 	<ul style="list-style-type: none"> ● Rolled out a health campaign using the employee cafeteria to combat metabolic syndrome 	○	<ul style="list-style-type: none"> ● Deploy health promotion activities for employees who have a BMI of 25 or higher and have high risks of lifestyle-related diseases

Personnel Data

Breakdown of number of employees (as of the end of February 2019)		(persons)
Full-time employees*1		3,088
	Male	2,024
	Female	1,064
Part-time staff*2		2,713
	Male	282
	Female	2,431
Number of employees (full-time employees + part-time staff)		5,801
	Male	2,306
	Female	3,495
New graduate employees hired		52
	Male	22
	Female	30
Mid-career employees hired		0
	Male	0
	Female	0

	FY2016	FY2017	FY2018
Average length of service (full-time employees)	22 years 7 months	22 years 8 months	22 years 8 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	225 (2, 108)	222 (5, 118)	220 (8, 116)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	9 (2, 5)	7 (0, 4)	7 (0, 5)
Number of volunteer leave recipients	NA	NA	NA
Number of female managers (percentage)*4	459 (34.6%)	400 (34.0%)	366 (33.7%)
	Team leader	338 (54.0%)	302 (54.7%)
	Section manager	40 (12.2%)	34 (11.1%)
	Division manager	36 (14.0%)	28 (12.0%)
	Corporate officer	3 (12.5%)	3 (13.0%)
Percentage of employees with disabilities*5	1.86%	2.16%	2.25%
Percentage of paid leave taken by full-time employees	22.0%	27.4%	24.4%
Frequency rate of workplace accidents	0.76	0.37	0.33
Severity rate of workplace accidents	0.01	0.00	0.01

*1 Data includes 307 persons reemployed after mandatory retirement.

*2 Monthly average, with 8 hours/day counted as one employee. Includes contractual employees.

*3 Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

*4 The percentage of team leaders or higher positions.

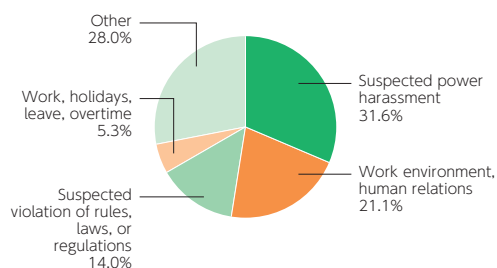
*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

Data for Consultation Services for Employees

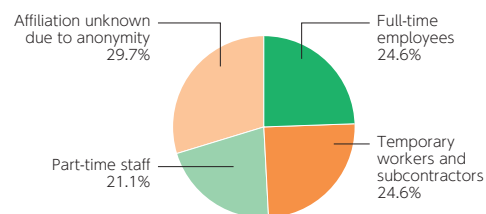
The number of cases received this fiscal year increased by approximately 10% compared to the previous year, with more than 50% arising from power harassment or the working environment. This is likely due to thorough awareness about the employee consultation center (in-house reporting system), and at the same time, employees themselves feeling less hesitance toward using the consultation center. We continue to strive to strengthen risk management, and we periodically conduct training for employees about compliance and risk management. In addition, for consultation cases, through advice from our lawyers and collaboration with the relevant departments, we work on measures to improve and prevent reoccurrence. Going forward, we will continue to work on improving the reliability of the employee consultation center and preventing accidents and incidents from occurring.

Description of contacts received by Customer Response Service by topic for FY2018

Contacts received: 57
(up 14% from the previous fiscal year)



By user category



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

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Offering eco-friendly products	● Continue hosting fairs that introduce and sell Alaska seafood	● Alaska Seafood fair: Conducted at 8 stores; listed on oseibo (winter gift) catalogs	○	● Continue hosting Alaska Seafood fair and listing on oseibo (winter gift) catalogs

York-Benimaru Co., Ltd.

Website: <https://yorkbenimaru.com/company/mecenas/>

Number of stores as of fiscal year ended February 28, 2019: 225

Providing Social Infrastructure in an Era with an Aging Society and Declining Population

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Supporting careers and seniors				
	●Continue blood donation activities	●Number of Heartful Saturday blood donors in October 2018: 433	○	●Continue blood donation activities in FY2019
Assisting in local community revitalization				
	●Continue to hold Opening Anniversary Festivals	●Continued to hold Opening Anniversary Festivals at all stores in FY2018	○	●Continue to hold Opening Anniversary Festivals at all stores in FY2019

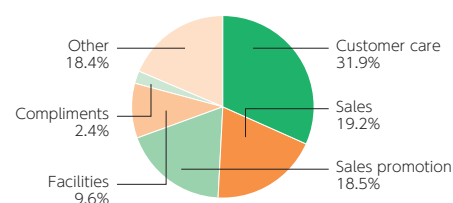
Providing Safety and Reliability through Products and Stores

Data from Customer Response Services

As part of our efforts to listen to our customers' opinions and respond to every one of them, we share examples of individual stores successfully meeting customers' needs with all our stores. Our Head Office and stores will work together to provide customers with a more timely response and incorporate as many customer suggestions as possible into our operations with an eye to making our stores enjoyable places to shop with confidence.

Description of contacts received by Customer Response Service by topic for FY2018

Contacts received: 3,569
(up 10.1% from the previous fiscal year)



FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Ensuring the quality and safety of products and services				
	●Raise sales results for three-star vegetables/fruits and products with production areas clearly indicated: up 2% compared to the previous year	●FY2018: 102.0% of previous sales	○	●FY2019: 104.0% of previous sales set as target
Maintaining more customer-friendly and reliable stores and facilities				
	●Expand the number of new stores that are subject to the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.	●Number of stores that apply the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.: 125	○	●Aim to certify new stores under the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.
Providing support in times of disaster				
	●Going forward, continue to consider cooperating with local governments who request the conclusion of disaster management agreements, etc.	●No new agreements with local governments signed in FY2018	—	●Continue to consider cooperating with local governments upon request
Implementing crime prevention measures for local communities				
	●Continue cooperating with requests from police	●Cooperated with "Kodomo 110 Ban no Mise" initiative where stores serve as emergency shelters where children can go to for help	○	●Going forward, continue to cooperate in the "Kodomo 110 Ban no Mise" initiative at new stores

Non-Wasteful Usage of Products, Ingredients and Energy

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Improving energy efficiency and introducing renewable energy				
	●Reduce electricity consumption to 98.0% of previous levels	●Did not achieve the plan due to impact from extremely hot weather	×	●Reduce electricity consumption to 96.9% of the previous year

Environmental Data

Challenges	Unit	FY2016	FY2017	FY2018
CO ₂ emissions* ¹ * ² * ³	t-CO ₂	192,466	193,182	192,977
CO ₂ emissions from store operations (per store) * ¹ * ³	t-CO ₂	175,735(837)	176,150(812)	175,576(787)
CO ₂ emissions from delivery vehicles * ¹ * ³	t-CO ₂	16,366	16,721	17,097
Electricity consumption in store operations* ¹	GWh	317	325	338
Water usage in store operations* ⁴	1,000m ³	1,063	1,104	1,097
Plastic bag usage (turndown rate) at the food section	t (%)	463(70.5)	503(70.5)	516(70.5)
Waste disposal (recycling rate) * ⁴	t (%)	40,644(47.5)	43,497(52.8)	44,697(52.2)
Food waste recycling rate* ⁴	%	53.4	60.4	59.8

*1 The period of the calculations was from April to March.

*2 This data represents CO₂ emissions stemming from the use of energy for store, Head Office, training center and logistics center operations and by delivery trucks.

*3 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual.

*4 The period of the calculations was from March to February.

Supporting the Active Role of Women, Youth and Seniors within and outside the Group

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Supporting development of employee abilities				
	●Review training after promotions to the manager level as well, including PR, and improve the post-promotion differences	●Training before promotion and new manager training after promotion were regularly conducted, and differences are gradually being improved	△	●Establish a new Education Promotion Office to centralize York-Benimaru's human resource development and education training functions so as to standardize level-specific training from joining the company to promotion
Achieving a work-life balance				
	●Increase the annual average number of paid leave days taken to 5 days	●Increase the annual average number of paid leave days taken to 3.8 days	△	●Increase the annual average number of paid leave days taken to 5 days
Making use of diverse human resources				
	●Promote an executive training curriculum aimed at lower-level employees (responsible personnel) and higher, thereby increasing the overall percentage of female managers to 27%	●Percentage of female managers (team leaders): 26%	△	●Promote an executive training curriculum, and aim to achieve a percentage of female managers (team leaders) of 28%
Assuring consideration for worker health and safety				
	●Number of workplace accidents per year: Decrease of 20% compared to the previous year	●Number of workplace accidents per year: Decrease of 8% compared to the previous year	△	●Number of workplace accidents per year: Decrease of 20% compared to the previous year

Personnel Data

Breakdown of number of employees (as of the end of February 2019)		(persons)
Full-time employees		2,891
	Male	2,520
	Female	371
Part-time staff*1		11,829
	Male	2,007
	Female	9,822
Number of employees (full-time employees + part-time staff)		14,720
	Male	4,527
	Female	10,193
New graduate employees hired		162
	Male	114
	Female	48
Mid-career employees hired		3
	Male	3
	Female	0

	FY2016	FY2017	FY2018
Average length of service (full-time employees)	15 years 0 months	14 years 8 months	14 years 8 months
Number of full-time employees who took childcare leave**4	156 (0, 134)	201 (0, 177)	185 (0, 161)
Number of full-time employees who took nursing care leave**4 (males, part-time staff)	13 (1, 12)	13 (0, 13)	4 (0, 4)
Number of volunteer leave recipients	NA	NA	NA
Number of female managers (percentage)**5	592 (25.6%)	599 (25.5%)	601 (25.3%)
	Team leader	395 (26.7%)	395 (26.1%)
	Section manager	202 (26.1%)	189 (34.6%)
	Division manager	2 (2.7%)	15 (5.1%)
	Corporate officer	3 (11.1%)	3 (11.1%)
Percentage of employees with disabilities**6	2.69%	2.85%	2.97%
Percentage of paid leave taken by full-time employees	20.0%	24.7%	26.5%
Frequency rate of workplace accidents	3.64	3.70	3.33
Severity rate of workplace accidents	0.01	0.01	0.01

*1 Data includes 195 employees reemployed after mandatory retirement.

*2 Monthly average, with 8 hours/day counted as one employee. Includes contractual employees.

*3 Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

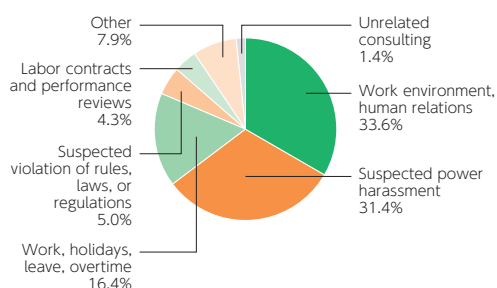
*4 The percentage of team leaders or higher positions.

*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

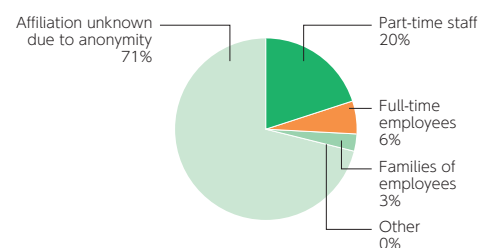
Data for Consultation Services for Employees

YB provides employees with a help line service. The service enables them to receive counseling on workplace issues, request investigations into noncompliance, etc. Employee suggestions are used to create a better workplace environment.

Description of contacts received by Customer Response Service by topic for FY2018 Contacts received: 140 (up 5.3% from the previous fiscal year)



By user category



Providing Social Infrastructure in an Era with an Aging Society and Declining Population

FY2018 Targets/Results and FY2019 Targets

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

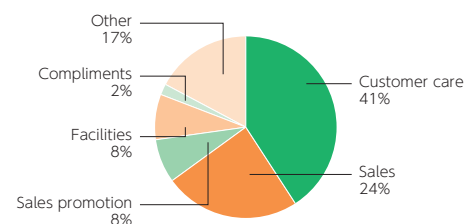
Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Supporting carers and seniors				
	<ul style="list-style-type: none"> ●Strengthen the expansion of the number of the re-challenge plan system users ●Continue to hold orientation for employees returning to work after childcare leave and address issues ●Fully disseminate the system by introducing users in the company's internal newsletter 	<ul style="list-style-type: none"> ●Number of re-challenge plan system users: 62 (of which 27 are partners; 101.6% compared to the previous year) ●Held orientation for employees returning to work after childcare leave every quarter, which provided opportunities for sharing of information and alleviating of concerns ●Users were introduced in company's internal newsletter each time to fully disseminate the system 	<ul style="list-style-type: none"> ○ ○ ○ 	<ul style="list-style-type: none"> ●Strengthen the expansion of the number of re-challenge plan system users to reduce resignations ●Continue to hold orientation for employees returning to work after childcare leave and address issues ●Disseminate information about the system via the company's internal newsletter
Cooperating with local community revitalization				
	<ul style="list-style-type: none"> ●Continue to accept workplace tours and work experience participation by elementary and junior high school students ●Train a total of 1,600 supporters of people with dementia 	<ul style="list-style-type: none"> ●Accepted workplace tours and work experience participation by elementary and junior high school students at stores ●Trained 318 supporters of people with dementia in FY2018, reaching a total of 1,585 trained supporters 	<ul style="list-style-type: none"> ○ △ 	<ul style="list-style-type: none"> ●Continue to accept workplace tours and work experience participation by elementary and junior high school students ●Train a total of 1,800 supporters of people with dementia

Providing Safety and Reliability through Products and Stores

Data from Customer Response Services

There were 650 calls received via the toll-free phone numbers in the fiscal year ended February 28, 2019. While this was a reduction (88% compared to the previous year), approximately 8,000 requests and opinions were received in total throughout the year when combined with feedback from the customers of all stores. York Mart is making effort to be capable of promptly dealing with customers' requests, such as improving store service and product range.

Description of contacts received by Customer Response Service by topic for FY2018
Contacts received: 650
(down 12% from the previous fiscal year)



FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> ● Date management, accurate production location, history display, and employee training for the above ● Store hygiene management through the existing store compliance team ● Expand sanitation equipment (Purester water, etc.) 	<ul style="list-style-type: none"> ● Conducted employee training using web conferences ● Provided support to compliance team through store interviews ● Introduced Purester water at all stores 	<ul style="list-style-type: none"> △ △ ○ 	<ul style="list-style-type: none"> ● Strengthening of direct communication through store supervisor meetings ● Strengthen support to compliance team through store interviews ● Continue to be thorough in using sanitation equipment (Purester water)
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> ● Expand interaction section ● Refurbish customer toilets (sequentially) 	<ul style="list-style-type: none"> ● Expanded interaction section at renovated stores ● Refurbished customer toilets 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ● Expand interaction section ● Introduce anti-slip ceramic tiles for flooring materials (new stores)
Assuring appropriate information provision				
	<ul style="list-style-type: none"> ● Reorganize the audit system through four highly specialized teams (money accounts, product quality sanitation, personnel work management, fundamentals) and aim for more in-depth and rapid responses ● Provide information related to hygiene management, freshness management, and allergy labeling to stores through web conferences and weekly emails from Head Office quality control staff, and maintain communication through meetings 	<ul style="list-style-type: none"> ● Audit was conducted by the fundamentals team in the aspect of labeling, and abnormalities were improved by pointing them out in detail to store supervisors ● Provided information to stores through monthly web conferences and weekly emails from Head Office quality control staff. Also maintained communication through store supervisor meetings 	<ul style="list-style-type: none"> △ ○ 	<ul style="list-style-type: none"> ● Conduct audit by internal control and audit team on all stores with regard to labeling related to laws and regulations. Share abnormalities found in initial audits with store supervisors, confirm that these abnormalities are improved in the second half of the fiscal year to establish the process ● Continue to provide information related to hygiene management, freshness management, and allergy labeling to stores through web conferences and emails from Head Office quality control staff, and strengthen direct communication through meetings ● Conduct small-group training on food hygiene and labeling through on-site checks at nearby stores
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> ● Send weekly emails from the customer feedback department to stores about items needing attention according to seasonal factors, and about the most recent incidents and accidents as they occur ● Strive to reduce customer complaints by providing information to stores ● Confirm customer opinions with management weekly and improve store operations by coordinating with relevant departments 	<ul style="list-style-type: none"> ● Disseminated weekly emails. Customers' opinions is collected from stores, and each one is dealt with ● Feedback on contents of customers' opinions and calls received at the toll-free phone number were provided weekly and dealt with ● Prompt resolution of problems through weekly checks with management 	<ul style="list-style-type: none"> △ △ ○ 	<ul style="list-style-type: none"> ● Seek to receive praises from customers by responding to their requests and opinions ● Confirm customer opinions with management weekly and improve store operations by coordinating with relevant departments

Non-Wasteful Usage of Products, Ingredients and Energy

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Attaining an appropriate grasp of environmental impact				
	<ul style="list-style-type: none"> ● Utilize BEMS 	<ul style="list-style-type: none"> ● Reduced electricity consumption through utilization of BEMS 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ● Utilize BEMS
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> ● Continue to introduce reach-in multi-level refrigerated cases at existing stores 	<ul style="list-style-type: none"> ● Introduced at 4 stores 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ● Continue to introduce reach-in multi-level refrigerated cases at existing stores
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> ● Food waste recycling rate: 57.0% ● Plastic bag turndown rate for FY2018: achieved 50.5% Down 2% from the previous year by weight 	<ul style="list-style-type: none"> ● Food waste recycling rate: 62.8% ● Plastic bag turndown rate for FY2018: achieved 50.7% Down 2.8% from the previous year by weight 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ● Food waste recycling rate: 63.8% ● Plastic bag turndown rate: achieve 51.5% Down 2% from the previous year by weight
Raising environmental awareness among employ				
	<ul style="list-style-type: none"> ● Number of employees that pass the Eco Test: 28 	<ul style="list-style-type: none"> ● Number of employees that passed the Eco Test: 21 	<ul style="list-style-type: none"> △ 	<ul style="list-style-type: none"> ● Number of employees that pass the Eco Test: 50

Environmental Data

Challenges	Unit	FY2016	FY2017	FY2018
CO ₂ emissions*1 *2 *3	t-CO ₂	57,562	56,309	56,375
CO ₂ emissions from store operations (per store)*1 *3	t-CO ₂	57,520(728)	56,272(712)	56,337(696)
Electricity consumption in store operations *1	GWh	113	114	117
Water usage in store operations*1	1,000m ³	522	529	513
Plastic bag turndown rate at the food section	%	49.8	49.9	50.6
Waste disposal (recycling rate)	t (%)	21,637(64.0)	21,547(66.0)	21,891(77.9)
Food waste recycling rate	%	51.9	56.6	62.8

*1 The period of the calculations was from April to March.

*2 CO₂ emissions stemming from the use of energy in store operations and Head Office operations.

*3 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual.

Supporting the Active Role of Women, Youth and Seniors within and outside the Group

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> ● Hold coaching seminars for educators and improve their instruction skills ● Create a movie manual and improve level of technical expertise 	<ul style="list-style-type: none"> ● Completed skill records for store supervisors who have undergone coaching seminars ● Embarked on and in process of creating a movie manual 	<ul style="list-style-type: none"> ○ △ 	<ul style="list-style-type: none"> ● Hold anger management seminars to improve skills of educators ● Hold group training for young employees to improve level of technical expertise and develop a sense of camaraderie
Achieving a work-life balance				
	<ul style="list-style-type: none"> ● Reduce total work time Average number of overtime hours was down 5% from the previous fiscal year 	<ul style="list-style-type: none"> ● Average number of overtime hours was 35.0, down 2.0% from the previous year 	<ul style="list-style-type: none"> △ 	<ul style="list-style-type: none"> ● Reduce total work time Average number of overtime hours was down 10% from the previous fiscal year
Making use of diverse human resources				
	<ul style="list-style-type: none"> ● Appoint 25 people as expert staff ● Employees appointed as full-time employees: 15 ● Number of females appointed in management roles: 2 ● Percentage of female managers: 24% 	<ul style="list-style-type: none"> ● Employees appointed as expert staff: 17 ● Employees appointed as full-time employees: 25 ● Number of females appointed in management roles: 4 ● Percentage of female managers: 24.8% 	<ul style="list-style-type: none"> × ○ ○ ○ 	<ul style="list-style-type: none"> ● Appoint 20 people as expert staff ● Employees appointed as full-time employees: 25 ● Number of females appointed in management roles: 5 ● Percentage of female managers: 26%
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> ● Reduce occurrence of workplace accidents Give notification of causes and responses Reduce lost work-time accidents 	<ul style="list-style-type: none"> ● Frequency rate: 3.29 → 4.61 Severity rate: 0.047 → 0.087 Number of days of work missed reduced from 602 to 1,114 	<ul style="list-style-type: none"> × × × 	<ul style="list-style-type: none"> ● Reduce occurrence of workplace accidents Give notification of causes and responses Reduce lost work-time accidents

Personnel Data

Breakdown of number of employees (as of the end of February 2019)		(persons)
Full-time employees*1		1,312
	Male	1,038
	Female	274
Part-time staff*2		4,475
	Male	1,241
	Female	3,234
Number of employees (full-time employees + part-time staff)		5,787
	Male	2,279
	Female	3,508
New graduate employees hired		78
	Male	37
	Female	41
Mid-career employees hired		12
	Male	12
	Female	0

	FY2016	FY2017	FY2018	
Average length of service (full-time employees)	15 years 4 months	15 years 5 months	15 years 11 months	
Number of full-time employees who took childcare leave (males, part-time staff)*3	21 (0, 12)	46 (0, 28)	51 (0, 23)	
Number of full-time employees who took nursing care leave (males, part-time staff)*3	1 (0, 1)	0 (0, 0)	2 (0, 2)	
Number of volunteer leave recipients	0	0	0	
Number of female managers (percentage)**4	211 (24.3%)	201 (22.8%)	218 (24.8%)	
	Team leader	163 (32.9%)	164 (31.5%)	172 (28.7%)
	Section manager	38 (15.6%)	27 (11.5%)	38 (23.0%)
	Division manager	9 (7.4%)	9 (7.5%)	8 (7.0%)
	Corporate officer	1 (7.7%)	1 (7.7%)	1 (7.1%)
Percentage of employees with disabilities*5	2.00%	2.12%	2.22%	
Percentage of paid leave taken by full-time employees	16.7%	16.0%	20.9%	
Frequency rate of workplace accidents	2.31	3.29	4.61	
Severity rate of workplace accidents	0.05	0.05	0.09	

*1 Data includes 71 persons reemployed after mandatory retirement.

*2 Monthly average, with 8 hours/day counted as one employee. Includes contractual employees.

*3 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

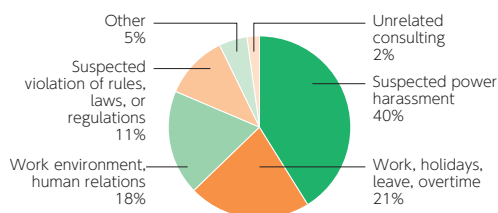
*4 The percentage of team leaders or higher positions, excluding corporate officers.

*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

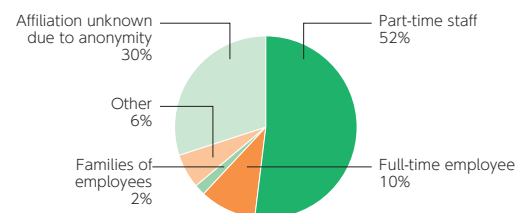
Data for Consultation Services for Employees

Many reports have been received about problems arising from daily communication, and we are working on coaching training and harassment education especially for corporate officers. We are also striving to improve the work environment.

Description of contacts received by Customer Response Service by topic for FY2018 Inquiries received: 125 (up 12% from the previous fiscal year)



By user category



Seven & i Food Systems Co., Ltd.

Website: <https://www.7andi-fs.co.jp/7fs/company/csr.html> (in Japanese)

Number of stores as of fiscal year ended February 28, 2019: 716

Providing Social Infrastructure in an Era with an Aging Society and Declining Population

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Supporting carers and seniors	<ul style="list-style-type: none"> ●Continue to maintain the system for actively accepting work experience participation ●Hold a children's food education class for children to gain knowledge about food 	<ul style="list-style-type: none"> ●Work experience participation results: 294 students from 106 junior high schools and 3 elementary school students ●Food education class: 4 times 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ●Continue to maintain the system for actively accepting work experience participation ●Continue to hold children's food education classes for children to gain knowledge about food
Cooperating with local community revitalization	<ul style="list-style-type: none"> ●Continue procurement throughout FY2018 ●Share information with local communities, strengthen cooperation, and promote store operations that are rooted in the region ●Supporters of people with dementia: 300 people ●Continue to support disaster-affected areas through our core business 	<ul style="list-style-type: none"> ●Conducted procurement via relay cropping, with a focus on fruit and vegetables ●Concluded regional comprehensive agreements with Adachi Ward, Ota Ward, Chiba City, Ichihara City, and Yotsukaido City to enhance our regional contributions ●Held 13 training sessions for supporters of people with dementia, and trained 203 new people, reaching a total of 1,792 supporters ●Provided support to disaster-affected areas through our core business 	<ul style="list-style-type: none"> ○ ○ × ○ 	<ul style="list-style-type: none"> ●Continue to conduct procurement via relay cropping this year ●Share information with local communities and strengthen cooperation to promote store operations that are rooted in the region such as childcare support and food loss reduction ●Supporters of people with dementia: 300 people
Providing support in times of disaster	<ul style="list-style-type: none"> ●Continue to proactively respond to requests received in the event of disaster from the municipalities 	<ul style="list-style-type: none"> ●Continued the agreements for supporting people having difficulties returning home after a disaster in nine prefectures and cities and the Union of Kansai Governments 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ●Continue to proactively respond to requests received in the event of disaster from the municipalities

Providing Safety and Reliability through Products and Stores

Data from Customer Response Services

In FY2018, the number of opinions decreased slightly, and the number of complaints also decreased. However, unfortunately the number of compliments was lower than in the previous year.

Complaints: 3,479 to 3,033 cases (a decrease of 446 cases, or 12.8% from the previous fiscal year)

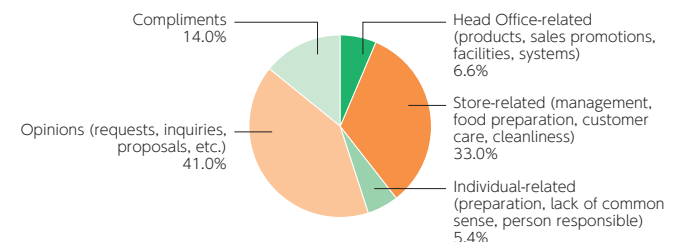
Compliments: 988 to 913 cases (a decrease of 75 cases, or 7.6% from the previous fiscal year)

In FY2019, we will work to improve customer satisfaction by continuing to focus on on-the-job-training at stores, and enhance off-the-job-training in the form of the training system at the newly established 7FS University.

Description of contacts received by Customer Response Service by topic for FY2018

Contacts received: 6,660

(down 3.1% from the previous fiscal year)



FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> ● Improve the accuracy of e-BASE contents and the usability of searches ● In addition to enhancing quality control, visit stores and provide instruction to promote improvement 	<ul style="list-style-type: none"> ● Reviewed contents of allergen information; yet to work on search method ● Visited a total of 772 stores in FY2018 	<ul style="list-style-type: none"> △ △ 	<ul style="list-style-type: none"> ● Improve the accuracy of e-BASE contents (nutritional components) ● Reduce number of store-related complaints to 90% and below of that in FY2018
Assuring appropriate information provision				
	<ul style="list-style-type: none"> ● Begin displaying allergy information in menus at Denny's for the 20 equivalent items in the second half of FY2018 	<ul style="list-style-type: none"> ● In addition to disclosing information on our website, began displaying the 20 equivalent items below the menu item names in menus in the second half of FY2018 ● At the same time, also added the displaying of dietary fiber and sugar information 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ● Provide information in English on our website for the 20 equivalent items in the second half of FY2019
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> ● Clearly identify the factors that lead to the customer opinions received and make specific improvements The mandatory target for FY2018 is to halve the number of complaints and double the number of compliments 	<ul style="list-style-type: none"> ● Changed the method for categorizing opinions, and clarified the responsibilities of the relevant Head Office divisions ● Complaints were reduced to 3,033 (87% of the previous year) against the target of halving the number of complaints, and there were 913 compliments (92% of the previous year); both were reduced and their respective targets were not achieved 	<ul style="list-style-type: none"> ○ × 	<ul style="list-style-type: none"> ● Share the state of opinions weekly with the management to quickly lead to improvement; target is to achieve 80% for complaints and 120% for compliments when compared to the previous year
Providing support in times of disaster				
	<ul style="list-style-type: none"> ● Continue to proactively respond to requests received in the event of disaster from the municipalities 	<ul style="list-style-type: none"> ● Continued the agreements for supporting people having difficulties returning home after a disaster in nine prefectures and cities and the Union of Kansai Governments 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ● Continue to proactively respond to requests received in the event of disaster from the municipalities

Non-Wasteful Usage of Products, Ingredients and Energy

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> ● Aim to replace package air conditioners with individual air conditioners at 6 stores Amount of CO₂ emissions reduction: 100 tons 	<ul style="list-style-type: none"> ● Replaced package air conditioners with individual air conditioners at 6 stores ● Amount of CO₂ emissions reduction: 100 tons-CO₂ 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ● Replace 178 individual air conditioners at 55 stores whose functions have reduced over time
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> ● Attempt to achieve an eco-friendly model through a food recycling loop Target food waste recycling rate: 50% 	<ul style="list-style-type: none"> ● Commenced trials for building a food recycling loop. 1 store in Yokohama City for 2 months → expanded to 19 stores for 4 months; completed trials and reported details to government ● Target food waste recycling rate: 49.5% (improved by 0.5%) 	<ul style="list-style-type: none"> △ 	<ul style="list-style-type: none"> ● Submit food recycling loop application. Obtain certification from the Ministry of Agriculture, Forestry and Fisheries, Ministry of the Environment, and Ministry of Economy, Trade and Industry ● Target food waste recycling rate: 50%
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> ● Actively encourage all employees to pass the Eco Test by 2020 Target number of employees to take the Eco Test each year: 500 	<ul style="list-style-type: none"> ● Actively encouraged all employees to pass the Eco Test by 2020 Number of employees who took Eco Test in FY2018: 499 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ● Actively encourage all employees to pass the Eco Test by 2020 Target number of employees to take the Eco Test each year: 450

Environmental Data

Challenges	Unit	FY2016	FY2017	FY2018
CO ₂ emissions*1 *2 *3	t-CO ₂	82,083	75,209	69,638
CO ₂ emissions from store operations*1 *3	t-CO ₂	79,755	73,161	67,634
CO ₂ emissions from delivery vehicles*1 *3 *4	t-CO ₂	2,164	1,889	1,845
Electricity consumption in store operations *1	GWh	128	121	118
Water usage in store operations*1 *4	1,000m ³	1,779	1,493	1,543
Waste disposal (recycling rate)	t (%)	12,393(26.9)	11,029(29.7)	10,021(24.9)
Food waste recycling rate	%	46.2	49.0	49.5

*1 The period of the calculations was from April to March.

*2 CO₂ emissions stemming from the use of energy in store operations (Seven & i Food Systems), Head Office, and delivery vehicles.

*3 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual.

*4 The values are for Denny's only.

Supporting the Active Role of Women, Youth and Seniors within and outside the Group

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> ● Continue store manager training using external instructors. Revise the content to tailor it to the issues company employees face ● Review each division's essential educational tools 	<ul style="list-style-type: none"> ● Continued training using external instructors. Cease from the second half of the year ● Renewed store manager textbook yearly 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ● Conduct corporate philosophy education and fundamental training for all employees by 7FS University
Assuring fair assessment and treatment of employees				
	<ul style="list-style-type: none"> ● Conduct evaluator training 	<ul style="list-style-type: none"> ● Evaluator drills and training were not implemented 	<ul style="list-style-type: none"> × 	<ul style="list-style-type: none"> ● Fundamentally revise evaluation system
Achieving a work-life balance				
	<ul style="list-style-type: none"> ● NA 15h. ● contract 12h. ● PA 3h. ● 9 or more days of leave taken: 90% 	<ul style="list-style-type: none"> ● NA 17.3h ● contract 16.3h. ● PA 3.2h ● 9 or more days of leave taken: 76.7% 	<ul style="list-style-type: none"> △ △ × × 	<ul style="list-style-type: none"> ● NA 16h. ● contract 16h. ● PA 3h. ● Monthly rate of leave-taking: 85% or more
Making use of diverse human resources				
	<ul style="list-style-type: none"> ● Percentage of seniors employed: 6% or more ● Conversions of contractual employees: 10 employees ● Percentage of female managers Section manager or higher position: 11% Team leader or higher position: 12% 	<ul style="list-style-type: none"> ● Percentage of seniors employed: 6.4% ● Conversions of contractual employees: 4 employees ● Percentage of female managers Section manager or higher position: 10.7% Team leader or higher position: 12.2% 	<ul style="list-style-type: none"> ○ × △ ○ 	<ul style="list-style-type: none"> ● Percentage of seniors employed: 7% or more ● Number of foreign employees: 350 ● Percentage of female managers Section manager or higher position: 11% Team leader or higher position: 12%
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> ● Decrease number of occupational accidents at work to 250 or below ● Participation rate in regular health checks by employees: 100% ● Stress check rate: 80% ● Participation rate in health checks by employees who work the late night shift: 100% 	<ul style="list-style-type: none"> ● Number of occupational accidents at work: 310 ● Participation rate in regular health checks by employees: 100.0% ● Stress check rate: 95.3% ● Participation rate in health checks by employees who work the late night shift: 96.0% 	<ul style="list-style-type: none"> × ○ ○ × 	<ul style="list-style-type: none"> ● Decrease number of occupational accidents at work to 250 or below ● Participation rate in regular health checks by employees: 100.0% ● Participation rate in secondary health checks by employees: 100.0% ● Participation rate in health checks by employees who work the late night shift: 100.0% ● Stress check rate: 100.0%

Personnel Data

Breakdown of number of employees (as of the end of February 2019)		(persons)
Full-time employees*1		1,201
	Male	985
	Female	216
Part-time staff**2		7,500
	Male	1,863
	Female	5,637
Number of employees (full-time employees + part-time staff)		8,701
	Male	2,848
	Female	5,853
New graduate employees hired		54
	Male	22
	Female	32
Mid-career employees hired		1
	Male	0
	Female	1

	FY2016	FY2017	FY2018
Average length of service (full-time employees)	14 years 5 months	14 years 8 months	15 years 2 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	45 (3, 33)	45 (1, 39)	54 (6, 38)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	0 (0, 0)	1 (0, 1)	0 (0, 0)
Number of volunteer leave recipients	2	0	4
Number of female managers (percentage)*4	80 (11.5%)	277 (28.1%)	268 (28.3%)
	Team leader	268 (30.3%)	259 (30.5%)
	Section manager	6 (7.4%)	9 (10.8%)
	Division manager	1 (7.1%)	0 (0.0%)
	Corporate officer	4 (28.6%)	5 (38.5%)
Percentage of employees with disabilities*5	2.42%	2.55%	2.74%
Percentage of paid leave taken by full-time employees	17.7%	36.6%	36.6%
Frequency rate of workplace accidents	0.81	0.78	0.85
Severity rate of workplace accidents	0.02	0.02	0.03

*1 Data includes persons reemployed after mandatory retirement.

*2 Monthly average, with 8 hours/day counted as one employee. Includes contractual employees.

*3 Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

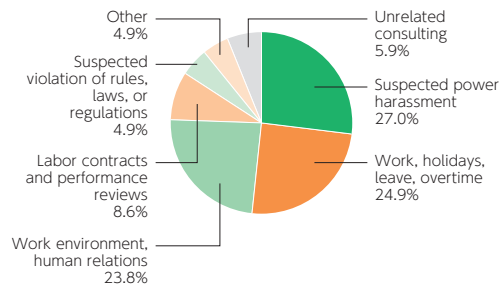
*4 The percentage of team leaders or higher positions.

*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

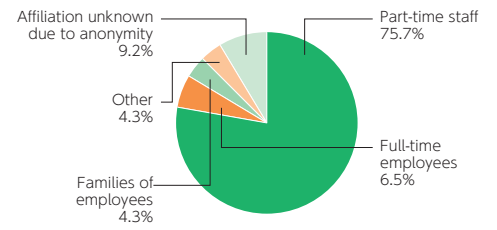
Data for Consultation Services for Employees

The total number of consultations decreased to 185 from 210 last year, but there was an increase in the number of work-related inquiries and the trend of harassment-related consultations remained unchanged. The importance of awareness of CSR for improving the workplace environment—such as the progress of work style reforms—accompanying changes in societal norms is increasing. We are striving to improve the workplace environment through targeted awareness-raising activities, including focusing on harassment and work-life balance, and adapting the content of training depending on the targeted recipients and their job positions.

Description of contacts received by Customer Response Service by topic for FY2018
 Contacts received: 185
 (down 11.1% from the previous fiscal year)



By user category



Akachan Honpo Co., Ltd.

Website: <https://www.akachan.jp/company/csr/> (in Japanese)

Number of stores as of fiscal year ended February 28, 2019: 110

Providing Social Infrastructure in an Era with an Aging Society and Declining Population

FY2018 Targets/Results and FY2019 Targets

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

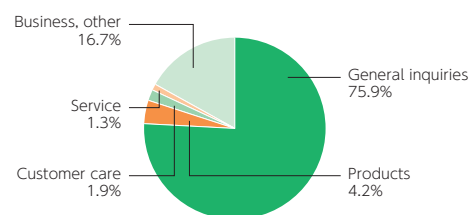
Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Supporting carers and seniors	● Aim to place certified employees in all stores and dedicated customer care staff in 50 stores	● Placed in 53 stores in September 2018	○	● Increase the number of certified employees, and aim to place dedicated customer care staff in all stores (except new stores)
Providing support in times of disaster	● Respond when there are requests from disaster areas	<ul style="list-style-type: none"> ● Collected donations and funds from July 9 to September 2, 2018 for the heavy rain event of July 2018 ● Collected donations and funds from September 7 to 20, 2018 for 2018 Typhoon No. 21 and Hokkaido earthquake of September 2018 ● Collected donations and funds from September 21 to October 4, 2018 for 2nd Hokkaido Eastern Iburi Earthquake of 2018 	○	● Respond when there are requests from disaster areas

Providing Safety and Reliability through Products and Stores

Data from Customer Response Services

As a customer consultation desk that operates 24 hours a day, seven days a week, and offers toll-free phone calls, we listen to customer requests, opinions, and inquiries, get alongside them and respond in a fast and honest manner. Since many of our customers are first-time users of our services, they have numerous problems, things that they do not know about, and uncertainties. In order to alleviate such apprehensions even a little, we strive to deliver kind customer care. Since March 2019, our app has been linked with the Group's app. To be able to promptly deal with questions about the app, we are strengthening information sharing with stores and improving the skills of call center staff more than ever before.

Description of contacts received by Customer Response Service by topic for FY2018
 Contacts received: 16,178
 (up 8.8% from the previous fiscal year)



FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> ● Keep number of lot defects in FY2018 to 25 cases or fewer Issues with data falsification and so on have led to many media reports questioning the company's stance, so shift toward immediately issuing recalls when a problem arises Prevent accidents through steady use of advance checks 	<ul style="list-style-type: none"> ● Number of lot defects* in 2018 (private brand figures are in parentheses): 37 cases (10 cases) Result which was a significantly underachievement of the target Especially in the first quarter, which had 40% of the occurrences with 15 cases Few occurrences related to design and specification, and 70% of causes could have been prevented by properly conducting product inspections 	×	<ul style="list-style-type: none"> ● Keep number of lot defects in FY2019 to 25 cases or fewer ● Reattempt previous year's target Before preventing occurrence at product inspection, which is the final stage of checks before delivery, be thorough in contributing toward improvement by proposing and executing measures against causes which occurred in respective product defects
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> ● Proactively set up a space that can be used both for relaxation and as an event venue 	<ul style="list-style-type: none"> ● Event space was set up in new stores 	○	<ul style="list-style-type: none"> ● Event space was set up in new stores
Assuring appropriate information provision				
	<ul style="list-style-type: none"> ● Conduct in-house training regarding specific examples related to the Act against Unjustifiable Premiums and Misleading Presentations to ensure compliance with the law during work and create a system to prevent reoccurrences Internal training: 10 sessions FT information distribution: 8 times 	<ul style="list-style-type: none"> ● Conducted 9 in-house training regarding the Act against Unjustifiable Premiums and Misleading Presentations, including specific examples, for (centered on) the product headquarters ● For FT information, only distributed once to stores about things to take note when making point of purchase-related items 	×	<ul style="list-style-type: none"> ● Conduct in-house training regarding laws and regulations related to FT (4 times) · Act against Unjustifiable Premiums and Misleading Presentations · Abuse of dominant bargaining position · Subcontracting Act · Act Concerning Special Measures for Pass-on of Consumption Tax ● Share CSR activities within the company by issuing in-house version of CSR report four times each year
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> ● Recognizing that the targets for the number and incidence rate (PPM) of customer service-related complaints were not realistic from the results of FY2017, the goal for FY2018 is to not exceed the previous year's results of 468 cases and an incidence rate of 22.8, as well as to prevent the same complaints from occurring again. Plan a system in which the supervisors and employees of stores where complaints occur must submit an Evaluation Sheet for each incident to put a stop to complaints 	<ul style="list-style-type: none"> ● While the goal for FY2018 was to not exceed 2017's results in terms of number and PPM, both deteriorated, with 526 customer service-related complaints (increase of 58 cases, 112% compared to the previous year) and a PPM* of 25.6 (increase of 2.8, 112% of the previous year) ● Not thorough in instruction about recognition of getting alongside customers, etc. during training when store-recruited partners join the company and various operations (inadequate fundamental skills such as cash register, wrapping, and product knowledge) There were many complaints arising from responses that stuck to the manual, and there was an inadequate stance for care, consideration, and attention required by the company 	×	<ul style="list-style-type: none"> ● The goal for 2019 is the same as 2018, which is to not exceed the previous year's results. Response level differs according to the store. Create FAQ for stores about first response to customers, etc. so that all stores can respond at the same level, improve initial response and report accuracy so as to put a stop to complaints 70% of complaints occur at cash registers, service counters, and sales areas; recheck operation manual, and instruct to carefully check through each operation with customers

* Parts Per Million (PPM): Calculated by dividing the number of complaints by the number of customers and dividing the result by 1 millionth.

Non-Wasteful Usage of Products, Ingredients and Energy

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> ● Wakaba Walk store air conditioning unit upgrade (approximately 25 kL annually) 	<ul style="list-style-type: none"> ● Achieved 50.2 kL which is double the effect 	○	<ul style="list-style-type: none"> ● Apita Shinmoriyama store Lighting upgrade (approximately 10.4 tons annually)
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> ● Plastic bag turndown rate 8.0% 	<ul style="list-style-type: none"> ● Plastic bag turndown rate: 5.6% 	×	<ul style="list-style-type: none"> ● Plastic bag turndown rate 8.0%
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> ● In addition to "June Environment Month," proactively raise awareness employees through the internal newsletter and company-wide business correspondence ● Plan to have unit stores clean their surroundings in the same Environment Month (9 stores total) 	<ul style="list-style-type: none"> ● In addition to "June Environment Month," proactively raised awareness employees through the internal newsletter and company-wide business correspondence ● Had unit stores clean their surroundings in the same Environment Month ● Conducted at 5 stores taking into consideration the state of typhoons 	△	<ul style="list-style-type: none"> ● In addition to "June Environment Month," proactively raise awareness employees through the internal newsletter and company-wide business correspondence ● From June, which is Environment Month, to February 2020, carry out collection of empty contact lens cases companywide

Environmental Data

Challenges	Unit	FY2016	FY2017	FY2018
CO ₂ emissions*1 *2 *3	t-CO ₂	17,000	16,669	15,822
CO ₂ emissions from store operations (per store)*1 *3	t-CO ₂	16,770(157)	16,432(144)	15,615(142)
Electricity consumption in store operations *1	GWh	30	29	29
Water usage in store operations*1	1,000m ³	26	22	28
Plastic bag turndown rate	%	6.4%	5.8%	5.6%

*1 The period of the calculations was from April to March.

*2 CO₂ emissions stemming from the use of energy in store operations and in headquarters operations

*3 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual.

Supporting the Active Role of Women, Youth and Seniors within and outside the Group

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> ●To encourage female part-time workers to be active, conduct assistant store manager (team leader rank) training semi-annually and encourage 30% or more of female employees to participate 	<ul style="list-style-type: none"> ●30% or more of female employees could not participate as priority was given to the training of current assistant store managers even though the plan was for assistant store manager candidates Conducted assistant store manager training with all assistant store managers split into 4 groups based on experience and evaluation Discovered store manager candidates, and actively deployed in HR assignments 	<p>△</p>	<ul style="list-style-type: none"> ●In addition to new recruits, conduct training for all employees in second year and third year of employment (grade-specific training for younger employees)
Assuring fair assessment and treatment of employees				
	<ul style="list-style-type: none"> ●Percentage of employees who take leave: 100% 	<ul style="list-style-type: none"> ●Percentage of employees who took leave: 100% 	<p>○</p>	<ul style="list-style-type: none"> ●Percentage of employees who take leave: 100%
Achieving a work-life balance				
	<ul style="list-style-type: none"> ●Increase percentage of employees taking childcare leave to 30% or more ●Keep each employee's overtime below 15 hours 	<ul style="list-style-type: none"> ●Percentage of employees taking childcare leave: 22.2% ●Kept each employee's overtime below 13.88 hours 	<p>△</p> <p>○</p>	<ul style="list-style-type: none"> ●Increase percentage of employees taking childcare leave to 30% or more ●Keep each employee's overtime below 14 hours
Making use of diverse human resources				
	<ul style="list-style-type: none"> ●Make it such that no stores lack a part-time leader ●Percentage of female managers (section manager or higher): 25.6% ●Maintain the current conditions and aim for 20 or more employees working childcare-related reduced hours 	<ul style="list-style-type: none"> ●For stores lacking part-time leaders, improve by 9 stores, from 15 stores to 6 stores ●Percentage of female managers: 22.3% ●Maintained at 20 or more employees working childcare-related reduced hours 	<p>△</p> <p>△</p> <p>○</p>	<ul style="list-style-type: none"> ●Make it such that no stores lack a part-time leader ●Percentage of female managers (section manager or higher): 30% ●Maintain the current level of employees working childcare-related reduced hours
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> ●Workplace accidents: less than 30 	<ul style="list-style-type: none"> ●Workplace accidents: 29 	<p>○</p>	<ul style="list-style-type: none"> ●Workplace accidents: less than 30

Personnel Data

Breakdown of number of employees (as of the end of February 2019)		(persons)
Full-time employees*1		903
	Male	504
	Female	399
Part-time staff*2		1,276
	Male	63
	Female	1,213
Number of employees (full-time employees + part-time staff)		2,179
	Male	567
	Female	1,612
New graduate employees hired		55
	Male	12
	Female	43
Mid-career employees hired		16
	Male	12
	Female	4

	FY2016	FY2017	FY2018
Average length of service (full-time employees)	13 years 8 months	14 years 10 months	14 years 7 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	116 (0, 63)	108 (0, 64)	73 (0, 41)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	3 (0, 2)	4 (0, 4)	3 (0, 3)
Number of volunteer leave recipients	NA	NA	NA
Number of female managers (percentage)**4	180 (33.3%)	188 (33.7%)	189 (34.4%)
	Team leader	120 (46.0%)	131 (49.2%)
	Section manager	67 (25.6%)	55 (22.3%)
	Division manager	3 (11.5%)	1 (3.6%)
	Corporate officer	4 (23.5%)	3 (8.3%)
Percentage of employees with disabilities*5	2.20%	2.10%	2.10%
Percentage of paid leave taken by full-time employees	39.2%	41.2%	36.6%
Frequency rate of workplace accidents	0.17	0.35	0.34
Severity rate of workplace accidents	0.00	0.01	0.04

*1 Data includes 12 persons reemployed after mandatory retirement.

*2 Monthly average, with 8 hours/day counted as one employee. Includes contractual employees.

*3 Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

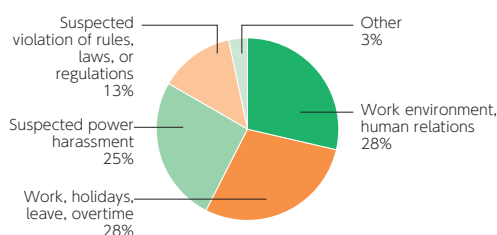
*4 The percentage of team leaders or higher positions.

*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

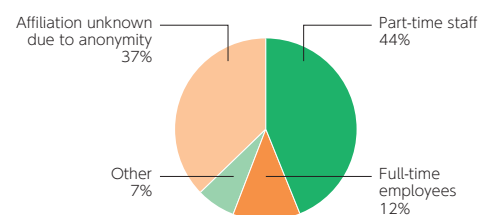
Data for Consultation Services for Employees

Due to insufficient communication, there were many consultations received from employees who felt they were subject to power harassment. Throughout the company, we are repeatedly working to drive home to them the importance of communication. Continuing in the fiscal year ending February 28, 2019, the education department will lead compliance training in cooperation with staff who deal in fair trade, quality management, and legal affairs issues, and so forth, for new recruits through to specialist employees.

Description of contacts received by Customer Response Service by topic for FY2018 Contacts received: 44 (up 42% from the previous fiscal year)



By user category



Providing Social Infrastructure in an Era with an Aging Society and Declining Population

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Supporting carers and seniors	<ul style="list-style-type: none"> ● Encourage storytelling activities with sponsoring the picture book "Bonolon, Warrior of the Forest" as the pillar ● Continue donations of picture books ● Strengthen cooperation with children's centers 	<ul style="list-style-type: none"> ● Held hospitality meetings at children's centers and the National Olympics Memorial Youth Center ● Continued donating picture books to children's centers by issuing Bonolon cash cards ● Donated to the "Supporting Everyone's Communication Project" of the Foundation for Promoting Sound Growth of Children 	○	<ul style="list-style-type: none"> ● Encourage storytelling activities with sponsoring the picture book "Bonolon, Warrior of the Forest" as the pillar ● Continue donations of picture books ● Strengthen cooperation with children's centers
Cooperating with local community revitalization	<ul style="list-style-type: none"> ● Encourage employees to participate in regional contribution activities 	<ul style="list-style-type: none"> ● 8 employees took volunteer leave ● 9 Employees participated in volunteer activities and such organized by the Chiyoda Business Volunteer Association, a group comprised of businesses located in Chiyoda Ward, where the Head Office of Seven Bank is located 	△	<ul style="list-style-type: none"> ● Encourage employees to participate in regional contribution activities
Implementing crime prevention measures for local communities	<ul style="list-style-type: none"> ● Continue to gather and utilize information on anti-social forces to prevent transactions ● Continue to improve detection capabilities for financial crimes that are evolving and growing more diverse (including money laundering), and strengthen prevention measures and money laundering countermeasures ● Promote the prevention of all types of financial crimes by strengthening collaboration with investigating agencies and business partners. 	<ul style="list-style-type: none"> ● Appropriately prevented transactions with anti-social forces by continuing to gather and utilize information on them ● Continuously invested resources and strengthened measures against financial crimes that are evolving and growing more diverse (including money laundering) ● Promoted initiatives to prevent all types of financial crimes by strengthening collaboration with investigation agencies and business partners 	○	<ul style="list-style-type: none"> ● Continue to gather and utilize information on anti-social forces to prevent transactions ● Continue to implement effective measures to prevent financial crimes, and provide safe and secure payment environments to all customers ● Strive to prevent the expansion of financial crimes by strengthening collaboration with investigation agencies and business partners

Providing Safety and Reliability through Products and Stores

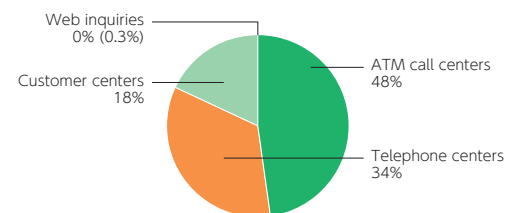
Data from Customer Response Services

Seven Bank takes the opinions and requests it receives from customers sincerely and is working to enhance and expand future services based on the customer inquiries.

At the customer center money transfers, we are able to respond to inquiries in 9 languages.

Description of contacts received by Customer Response Service by topic for FY2018

Contacts received: 920,309
(up 2.8% from the previous fiscal year)



FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> ● Enhance maintenance of the system through continuous training to ensure that BCP is carried out 	<ul style="list-style-type: none"> ● BCP training (initial response training for countermeasures headquarters, wide-area disaster drills in the Tokyo metropolitan area, etc.) was continuously conducted to maintain and strengthen the system 	○	<ul style="list-style-type: none"> ● Enhance maintenance of the system through continuous training to ensure that BCP is carried out
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> ● Continue to promote ATM functions to meet diverse needs 	<ul style="list-style-type: none"> ● Expanded services with entities other than financial institutions ● New alliances with 4 operating companies ● Started to handle 9 types of transportation-related electronic money and Rakuten Edy ● Expanded number of companies with service agreements for cash receipt service (number of companies with service agreements: 150) ● Expanded to 6 providers for smartphone ATM service 	○	<ul style="list-style-type: none"> ● Continue to promote ATM functions to meet diverse needs
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> ● Continue initiatives to improve customer satisfaction 	<ul style="list-style-type: none"> ● Started handling of new services (cash receipt service and multi-electronic money) ● Expanded response channels (visual menus, AI chatbots, multilingual manned chats) ● Changed FAQ representations of the website from the customer's perspective ● Began to display initial screen during system maintenance period, visual explanation of how to use electronic money, and cautions to bring attention to money transfer fraud on ATM screen 	○	<ul style="list-style-type: none"> ● Continue initiatives to improve customer satisfaction ● Build a center that can improve customer satisfaction, provide optimal information, make proposals, utilize marketing, and collaborate with Group companies as the greatest place of contact with customers ● Optimize response channels ● Improve product services and respond to new services

Non-Wasteful Usage of Products, Ingredients and Energy
FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Attaining an appropriate grasp of environmental impact				
	<ul style="list-style-type: none"> ● Continue grasping and disclosing greenhouse gas emission volumes (Scope 3 emissions) through the supply chain that the company indirectly discharges 	<ul style="list-style-type: none"> ● Conducted calculation of greenhouse gas emission volumes (Scope 3 emissions) 	○	<ul style="list-style-type: none"> ● Continue grasping and disclosing greenhouse gas emission volumes (Scope 3 emissions) through the supply chain that the company indirectly discharges
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> ● Promote paperless operations 	<ul style="list-style-type: none"> ● Installed monitors in meeting rooms ● Replaced with IC multifunction devices [Head Office: 19 units] Actual paper usage in the second half: approximately 15% reduction (compared to the same month of the previous year) 	○	<ul style="list-style-type: none"> ● Promote paperless operations
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> ● 3Rs (reduce, reuse, recycle), including in offices 	<ul style="list-style-type: none"> ● Recycled ATMs (third-generation, 26 machines) ● Continuously using FSC-certified paper ● Implemented recycling and reusing of office stationery and books ● Donated disaster prevention items (alpha rice) to Second Harvest Japan 	○	<ul style="list-style-type: none"> ● Promote the 3Rs (reduce, reuse, recycle), including in offices
Raising environmental awareness among employ				
	<ul style="list-style-type: none"> ● Continue active participation in Seven & i Holdings' Environment Volunteers, Regional Volunteers, and other activities ● Enhance the environment volunteer activities by participants in Seven Bank's own programs 	<ul style="list-style-type: none"> ● Employees participated in Seven & i Holdings' Great East Japan Earthquake Disaster Reconstruction Assistance Project, Tokyo Bay UMI Project, and Environment Volunteers ● Conducted environmental activities at Takanomori Nature School with 39 participants (including family members) 	△	<ul style="list-style-type: none"> ● Continue active participation in Seven & i Holdings' Environment Volunteers, Regional Volunteers, and other activities ● Enhance the environment volunteer activities by participants in Seven Bank's own programs

Environmental Data

Challenges	Unit	FY2016	FY2017	FY2018
Volume of paper ordered for office automation equipment	1,000 sheets	5,178	4,591	4,804
Electricity used at the offices*	MWh	1,172	1,134	1,143

* Data was not available for some rental offices. Data includes staffed branches and directly managed ATMs.

Supporting the Active Role of Women, Youth and Seniors within and outside the Group

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> ● Increase opportunities for personnel exchange both internally and externally, and support the autonomous growth of next-generation leaders 	<ul style="list-style-type: none"> ● Conducted newly appointed manager training (coaching, labor knowledge) ● Held the Seven Bank 2020 Committee, a companywide problem-solving conference centered on managers ● Conducted leader cultivation training led by Seven & i Holdings ● Conducted innovation training in Silicon Valley ● Dispatched employees to earn MBAs in Japan 	○	<ul style="list-style-type: none"> ● Increase opportunities for personnel exchange both internally and externally, and support the autonomous growth of next-generation leaders
Achieving a work-life balance				
	<ul style="list-style-type: none"> ● Proactively utilize the system to support in good balance between work and childcare/nursing care 	<ul style="list-style-type: none"> ● Continued operation of a support system for balancing work and family responsibilities, including reduced working hours and leave for reasons such as childcare and nursing care 	○	<ul style="list-style-type: none"> ● Proactively utilize the system to support in good balance between work and childcare/nursing care
Making use of diverse human resources				
	<ul style="list-style-type: none"> ● Promote diversity inclusion ● Create environments and awareness that allow all employees to perform to their full potential, regardless of nationality or gender ● Implement vigorous initiatives for employees with disabilities ● Activate inner communication ● Create opportunities for all employees to participate 	<ul style="list-style-type: none"> ● Conducted lifelong planning seminars and nursing care seminars ● Conducted engagement survey (employee awareness survey) ● Reviewed personnel system, with enforcement of new system in FY2019 ● Invigorated the company through timely and appropriate recruitment ● Started using in-house social media 	○	<ul style="list-style-type: none"> ● Promote diversity inclusion ● Create environments and awareness that allow all employees to perform to their full potential, regardless of nationality or gender ● Activate inner communication ● Create opportunities for all employees to participate ● Conduct initiatives to improve engagement
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> ● Continue to ensure that employees take paid leave ● Devise measures to ensure that employees will leave the office on time during the targeted periods ● Conduct stress checks 	<ul style="list-style-type: none"> ● Percentage of paid leave taken: 77.7% ● Dedicated 2 separate periods to encouraging employees to leave the office on time ● Conducted stress checks 	○	<ul style="list-style-type: none"> ● Improve rate of paid leave taken ● Implement measures to reduce overtime in response to restrictions on overtime work ● Conduct stress checks

Personnel Data

Breakdown of number of employees (as of the end of February 2019)		(persons)
Full-time employees*1		381
	Male	280
	Female	101
Contractual/part-time employees*2		91
	Male	12
	Female	79
Number of employees*3 (full-time employees + contractual/ part-time employees)		472
	Male	292
	Female	180
New graduate employees hired		8
	Male	4
	Female	4
Mid-career employees hired		31
	Male	21
	Female	10

	FY2016	FY2017	FY2018
Average length of service (full-time employees)*4	7 years 7 months	8 years 2 months	8 years 3 months
Number of full-time employees who took childcare leave*5 (males, contractual/ part-time employees)	13 (1.5)	16 (2.5)	12 (2.4)
Number of full-time employees who took nursing care leave*5 (males, contractual/ part-time employees)	0 (0.0)	0 (0.0)	0 (0.0)
Number of volunteer leave recipients	11	13	8
Number of female managers (percentage)*6	55 (17.4%)	55 (17.9%)	55 (19.4%)
	Team leader	32 (30.8%)	34 (32.1%)
	Section manager	23 (12.8%)	20 (12.2%)
	Division manager	0 (0.0%)	1 (7.1%)
	Corporate officer	3 (12.5%)	3 (12.5%)
Percentage of employees with disabilities*7	2.22%	2.20%	2.31%
Percentage of paid leave taken by full-time employees	83.2%	87.2%	75.7%
Frequency rate of workplace accidents	0.00	0.00	0.00
Severity rate of workplace accidents	0.00	0.00	0.00
Number of employee consultations	1	2	3

*1 Data includes 39 persons reemployed after mandatory retirement.

*2 Monthly average, with 8 hours/day counted as one employee.

*3 The number of employees excludes corporate officers, executive officers, employees dispatched from the company to outside the company, and temporary staff; and includes people dispatched from outside the company to the company

*4 The company was established in 2001

*5 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

*6 The percentage of section managers or higher positions, excluding corporate officers.

*7 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

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

FY2018 Targets/Results and FY2019 Targets

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

Challenges	FY2018 Targets and Plans	FY2018 Results and Outcomes	Evaluation	FY2019 Targets
Offering eco-friendly products	● Stable operations of eco-friendly ATMs	● Achieved stable operations through energy-saving ATMs	○	● Stable operations of eco-friendly ATMs