

## Material Issue 2 Providing Safety and Reliability through Products and Stores

### Approach to Material Issues

The Seven & i Group handles about 3 million items of products at each company's stores, and also develops a variety of products as private brands. Because of this, we are committed to ensure the quality of our products, including their safety and reliability. We also recognize that playing a role of a social infrastructure that can be used with a peace of mind even in emergencies such as natural disasters is an important issue.

#### Relevant policy

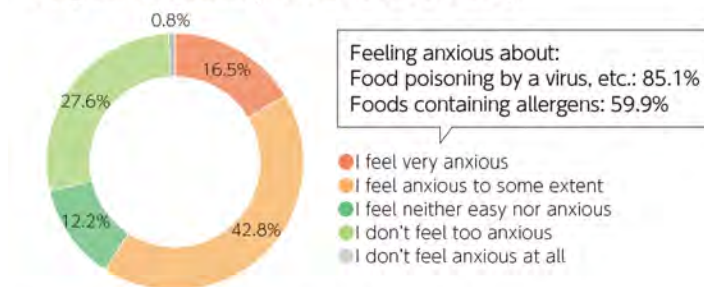
[> Quality Policy](#)

### Background to Material Issues

#### Food Safety

With the globalization of food and recent incidents and accidents that threaten food safety and security, there has been growing interest in food safety, including the issues of controlling raw materials, food additives, and displaying information about allergens. Answers to a survey by the Cabinet Office showed that about 60% of people feel uneasy about food safety, and there is a need to further strengthen their quality control systems for companies.

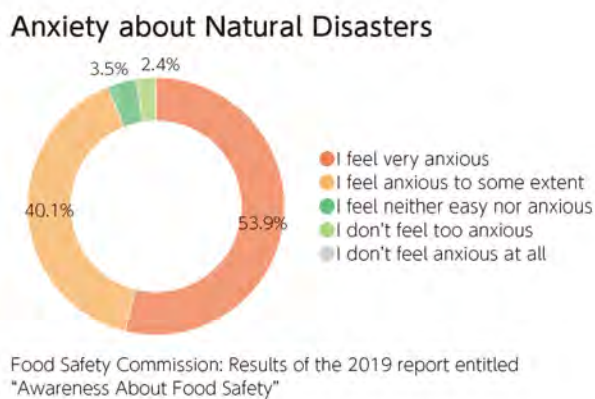
#### Degree of Anxiety about Food Safety



Food Safety Commission: Results of the 2019 report entitled "Awareness About Food Safety"

## 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. According to a survey by the Cabinet Office, over 90% of respondents said that they feel uneasy about natural disasters, and when such disasters occur, social infrastructure such as the provision of the goods and services necessary for daily life, plays an important role. The Company is expected to ensure business continuity to provide a safe and secure base.



## Promotional Framework for Material Issues

In response to this material issue, the CSR Management Committee and its subordinate Supply Chain 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 & i Holdings Director and Managing Executive Officer Head of the Corporate Development 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 and other phenomena caused by 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](#)

### Health and Nutrition

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 Sales and Information Disclosure for 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. Quality control managers at the development division for the Seven Premium line of Group private brand products, 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 have established 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.

## Quality Control Training for Employees

The Seven & i Group provides quality control training to its merchandisers that handle product development and procurement as well as staff in charge of stores to prevent product-related accidents. At Seven & i Holdings and each Group company that handles food products, ongoing food allergy training is provided each year to all who handle in-store food preparation at each group company, and it covers how to display food allergy information, rules for preventing allergy-related incidents, and so on.

Seven & i Holdings conducted food allergy training for 1,651 target individuals in the fiscal year ended February 29, 2020. Since HACCP\*1 will be institutionalized in 2020 (revision in the Food Sanitation Act), in June 2020, HACCP training for food products\*2 on the importance of HACCP and precautions in food manufacturing and processing was conducted for 1,210 individuals. In addition, for those who handle apparel and household items, the entire Group conducts textile training and Pharmaceuticals and Medical Devices Act training through external inspection organizations.

Textile training is for those handling textile products (apparel, bedding, etc.), basic textile training is for newly appointed staff, and textile material training and textile sewing training are for existing staff. In addition to knowledge about laws and regulations, such as Household Goods Quality Labeling Act, this training allows them to learn about the process that progresses from thread to textile/knitting, dyeing, sewing, and inspection, as well as process management for manufacturing factories, case studies on defective product incidents, and more. Through this training, we aim to provide our customers with safe and high-quality products.

\*1 HACCP (Hazard Analysis Critical Control Point): 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 Operating companies subject to food HACCP (e-learning) training: York Mart, SHELL GARDEN, Sogo & Seibu, and Gottsuobin (\*Other operating companies that handle food products carry out their own custom HACCP training)

### Results of Training Held by Seven & i Holdings in the Year Ended February 29, 2020

Training Details	Participants	Ratio	Target
Food allergy training*1	1,651	100%	Those handling in-store food preparation
Basic textile training*2	58	64%	Those handling procurement of textile products such as apparel and bedding
Textile material training*2	55	44%	Those handling procurement of textile products such as apparel and bedding
Textile sewing training*2	62	39%	Those handling procurement of textile products such as apparel and bedding
Pharmaceuticals and Medical Devices Act training	205	64%	Those handling procurement of apparel and household items

\*1 Target operating companies for food allergy (e-learning) training: York Mart, SHELL GARDEN, IY Foods, Sogo & Seibu, and Gottsuobin (\*Other operating companies that handle food products carry out their own custom allergy training)

\*2 Target operating companies for textile (basic/material/sewing) training and Pharmaceuticals and Medical Devices Act training: Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, Akachan Honpo, THE LOFT, Nissen, Barneys Japan, and Oshman's Japan

## Participation in Industrial Groups Related to Food Safety and Quality Control

Seven & i Holdings became one of the founders of the Japan Food Safety Management Association (JFSM)\*1, established in 2016 as the primary Japan-created operating body for food product safety management standards, along with food product manufacturers both in Japan and overseas partnered with food-related companies. We did this in partnership with the Ministry of Agriculture, Forestry and Fisheries and university researchers with the goal of responding to the increased handling of imported foods (globalization) in Japan and improving domestic food safety management. By utilizing the JFS standard\*2 developed by this association, we aim to improve food quality as a retail group that is building a supply chain.

Currently, eight group companies\*3 that handle food products have become JFSM members and are promoting the improvement of food safety management levels within the Group. In addition, we are proceeding with the acquisition of JFS standard certification and conformance certification for factories that manufacture original daily products such as the Group's "Seven Premium" private brand products and Seven-Eleven boxed lunches, rice balls, sandwiches, delicatessen items, noodles, bread, and pastries.

\*1 An organization that creates and operates a Japanese food safety management standard (the JFS standard) and its certification/conformance certification system.

\*2 A Japanese food safety management standard developed by JFSM that conforms to international standards that include Codex HACCP.

\*3 Seven-Eleven Japan, Ito-Yokado, York Benimaru, York Mart, SHELL GARDEN, Sogo & Seibu, Gottsuobin, Seven & i Food Systems

## Obtaining Certification of Food Safety Management Standards that Conform to International Standards

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Seven-Eleven Japan has adopted the HACCP (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)\*1 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 factories. Moreover, in October 2018, in response to the institutionalization of HACCP, we set the goal of acquiring JFS standard\*2 certification/conformance certification, which conforms to international standards. In March 2020, all dedicated factories (165 factories) that manufacture original products such as boxed lunches, rice balls, sandwiches, delicatessen items, noodles, bread, and pastries obtained certification and conformance certification. Similarly, we are working on obtaining certification and conformance certification related to food safety management standards that conform to international standards that include Codex HACCP, such as ISO 22000, FSSC 22000, and the JFS standard, at all manufacturing factories that produce the Group's "Seven Premium" private brand products. (As of the end of March 2020, 68% of our manufacturing factories have acquired certification.)

\*1 The NDF was formed in 1979 to improve hygiene quality management levels at daily food manufacturing facilities and to eliminate region-based quality differences.

\*2 JFS standard: A food safety management standard from Japan developed by the Food Safety Management Association (JFSM) that conforms to international standards that include Codex HACCP.

[> For more details about Seven-Eleven Japan initiatives \(in Japanese\)](#) 



## Issuance of "Compliance Certificate" for Manufacturing Plant Process Audit

The Seven & i Group sells private brand apparel and household items, such as the Group's "Seven Premium" private brand products, and other Group companies sell private brand products as well. To provide safe and secure products, we carry out process audits for manufacturing factories both in Japan and overseas (audits were conducted at 22 factories in the fiscal year ended February 29, 2020).

Since there is no official certification for manufacturing factories that guarantees a level of quality control for apparel and household items, Seven & i Holdings has established its own standards, and each Group company carries out external audits through specialized external institutions. Seven & i Holdings issues a process audit "Compliance Certificate" to factories whose audit results have cleared certain standards.



Compliance certificate

## Acquisition of GAP Certification

For our private brands "Vegetables with Traceability" and "Fruits with Traceability" at Ito-Yokado, we are recommending the acquisition of Good Agricultural Practice (GAP) certification, an agricultural production process management method, in order to further improve the level of our quality management. GAP certification sets standards that should be implemented in day-to-day agricultural management to improve safety and protect the environment. Certification has been acquired by 200 producers as of February 29, 2020, 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.

In addition, IY Foods, a Group food manufacturer, acquired ISO 22000 certification in August 2016.





## Hygiene Management Based on ISO 9001

At Seven & i Food Systems, the QC Office that serves as the hygiene management department has acquired the ISO 9001 international standard concerning quality management (application scope consisting of food hygiene management system standards and provision at stores). In hygiene management, priority is placed on freshness management that is easy to understand and can be performed by anyone. The QC Office and others conduct 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 \(in Japanese\)](#) 



## External Recognition for Initiatives Addressing Quality Control

Ito-Yokado has been awarded the Minister of Economy, Trade and Industry PS Award\*1 three times and has been certified as a gold product safety company\*2.

\*1 The Ministry of Economy, Trade and Industry has been conferring this award since fiscal 2007 to raise awareness of corporate product safety and establish a culture of product safety that spreads the important value of product safety beyond the boundaries of companies to create a society where product safety is protected everywhere.

\*2 Every five years after certification, the review committee will follow up to see if the efforts being made at the time of certification are still being maintained.

- Ito-Yokado received the Minister of Economy, Trade and Industry PS Award in 2011, 2013, and 2015.
- Ito-Yokado was certified as a gold product safety company in 2015.

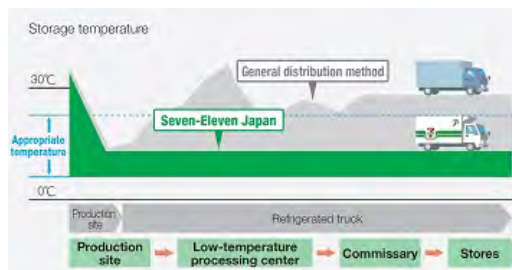


Gold Product Safety Company



## 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. For example, the Radioactivity Project was established as an internal organization at York-Benimaru 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 Ito-Yokado's Foods with Traceability and the results are published on the company's website.

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

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### 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

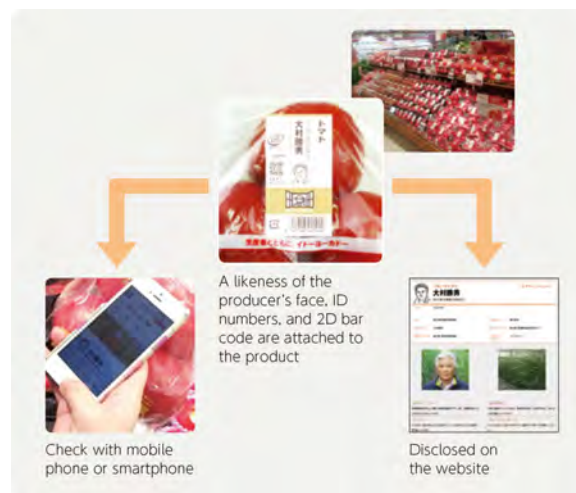
Ito-Yokado sells products under its private brand Fresh Foods with Traceability, where we achieve an accurate understanding of production sites, production methods, and distribution channels and communicate these to customers. For these products, our procurement officers check with producers at the production 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 Ito-Yokado website using a PC or smartphone. As of February 29, 2020, 251 items are handled under the Fresh Foods with Traceability brand, covering all fresh foods including vegetables, fruits, meat, eggs, fish, and rice. 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 29, 2020, we are handling about 30 product items under this system.

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

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

#### Producer Information Disclosure Methods (Example from Ito-Yokado)

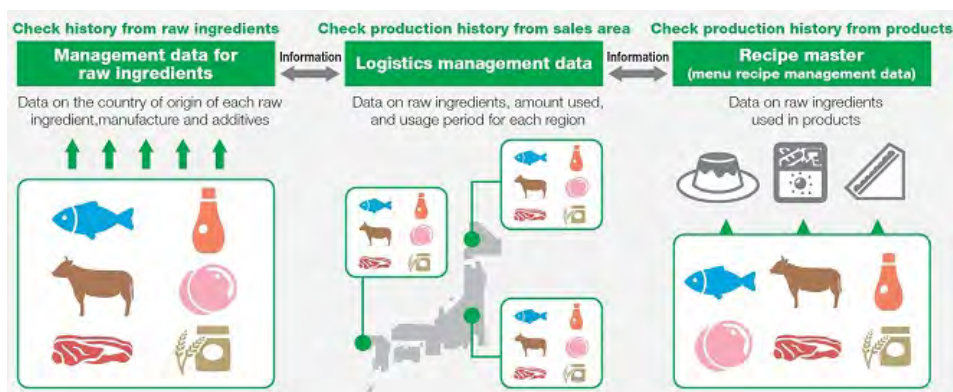


## Centralized Management of Production Records

Seven-Eleven Japan 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, Seven-Eleven Japan manages information from all its approximately 180 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, Seven-Eleven Japan also verifies whether products contain any additives or allergens. In addition, Seven-Eleven Japan 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 Seven-Eleven Japan initiatives \(in Japanese\)](#) 

### Seven-Eleven Japan's Raw Material Production Record Management Framework



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### Health and Nutrition

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

In May 2020, in order to create new value for the Group's "Seven Premium" private brand products, the "Seven Premium Connect Declaration" was formulated. It consists of four pillars: eco-friendliness, health-consciousness, high-quality products, and global compatibility. Specific measures included displaying sugar and dietary fiber content on nutrition labels (since September 2019), developing products with reduced salt and sugar, and encouraging the reduction of additives.

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.



Example of Health Food Products



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

## Reducing the Use of Food Additives

With an eye toward minimizing unnecessary food additives, Seven & i Holdings is taking steps to reduce their use in food products. For example, 7-Eleven's fresh foods (numbering around 2,000 items) maintain their quality without using preservatives by paying extreme care to hygiene management and temperature management. Additionally, Ito-Yokado's delicatessen items, boxed lunches, and sushi produced in-store are all free from synthetic coloring agents and preservatives.



### 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 Seven-Eleven Japan initiatives \(in Japanese\)](#) 

## Products Paying Particular Attention to Safety, Reliability, and Health

Seven-Eleven Japan 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. Seven-Eleven Japan plans to expand product categories and lineups in the future.

In addition, Ito-Yokado offers box lunches supervised by national registered dietitians, with attention given to nutritional balance. By adding dietary fiber, vegetables, and so on, reducing salt and sugar content, and using fewer additives, we will provide customers with healthier products.

\* The Healthy Japan 21 (Secondary) guideline for vegetable consumption is an average of 350 g per day. The edible portion of a head of lettuce, which is 215 g, is considered to be roughly the daily intake amount.



Seven-Eleven “Good Health Starts with This Hand” logo



Products of the Seven-Eleven “Good Health Starts with This Hand” series



Ito-Yokado: Boxed lunch supervised by registered dietician, Example 1



Ito-Yokado: Boxed lunch supervised by registered dietician, Example 2



## Labeling of Nutritional Components

In addition to the five components of energy, protein, fat, carbohydrates, and salt equivalents stipulated by the Food Labeling Law, which went into full effect in April 2020, the Seven & i Group started to display two items often requested by customers: sugars (available carbohydrates) and dietary fiber. Sugar and dietary fiber content are displayed on the Group's "Seven Premium" private brand products\*, original daily products such as 7-Eleven boxed lunches, rice balls, sandwiches, delicatessen items, noodles, bread and pastries, and sushi and delicatessen items cooked in Ito-Yokado stores. In addition, for certain products we also display optional components such as saturated fatty acids, trans fatty acids, and cholesterol. Calorie counts are printed on the front of most products to make it easier for customers to find when selecting a product.

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



Package printed calorie counts largely  
"Seven Premium Salad Chicken with 0 g of Sugar"



"Seven Premium Potato Salad"

Nutrition facts label: 1 package, per 100 g  
Energy: 171 kcal/Protein: 2.8 g/Fat: 11.8 g/Carbohydrates: 14.2 g (Sugars :available carbohydrates): 12.6 g/Dietary fiber: 1.6 g/Salt equivalents: 0.9 g  
Estimated values based on sample analysis



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

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.



## Labeling of Food Allergy Information

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Food allergies occur when the body recognizes food (the protein contained within it) as a foreign substance and mounts a hypersensitive reaction to protect itself. The main symptoms are itchy skin, hives, coughing, and so on, but severe symptoms can include unconsciousness, decreased blood pressure, and shock, so they can be life-threatening.

The Seven & i Group, in addition to displaying information about seven specified ingredients (egg, milk, wheat, shrimp, crab, buckwheat, and peanuts) that are required to be labeled under the Food Labeling Law, also recommends displaying information about 21 equivalent items (abalone, squid, salmon roe, oranges, cashew nuts, kiwifruit, beef, walnuts, sesame, salmon, mackerel, soybean, chicken, banana, pork, matsutake mushrooms, peaches, yam, apples, gelatin, and almonds) so that people with food allergies can choose products with confidence.

At Seven-Eleven Japan, in addition to specified ingredients, equivalent items (excluding almonds)\* are displayed on all original daily products, including boxed lunches, rice balls, sandwiches, delicatessen items, noodles, bread, and pastries. Additionally, for in-store cooked products (hot snacks, oden, Chinese steamed buns), in addition to specified ingredients, information on the use of equivalent items (excluding almonds) \* is disclosed on the website.

At Ito-Yokado, in-store cooked sushi, delicatessen items, etc. are labeled with "specific raw materials" and "equivalent items (excluding almonds) \*." The food products in the container have allergy information on their labels. For the products sold separately without packaging, a list of allergens contained in each product is posted at the store.

Ever since the menu revision in September 2018, Denny's of Seven & i Food Systems has printed information about the use of allergens (specified ingredients and equivalent items (including almonds)\* to all menus for all time zones (allergy information). In addition to disclosing information on the website, starting July 2017, we introduced tablets that can look up allergy information for each menu item in all restaurants, making it possible to check detailed information with ease even when ordering.

Due to the Consumer Affairs Agency adding almonds to the "equivalent items" category in September 2019 in light of the increase in the number of people with allergies caused by almonds, Seven-Eleven Japan and Ito-Yokado have been proactively displaying information about almonds as well.

\* Items recommended for the "equivalent items" category: abalone, squid, salmon roe, oranges, cashew nuts, kiwifruit, beef, walnuts, sesame, salmon, mackerel, soybean, chicken, banana, pork, matsutake mushrooms, peaches, yam, apples, gelatin, and almonds

[> For more details about Seven-Eleven Japan's initiatives \(in Japanese\)](#) 

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

## Sales of Products with Food Allergy Considerations

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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 Ito-Yokado's initiatives \(in Japanese\)](#) 



"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 21 equivalent items).

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



Low allergen menu



Low-allergen cake

## Regarding Handling of Genetically Modified Foodstuff

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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 products which are permitted to be imported by the Japanese government).

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### 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 Ito-Yokado 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 Seven-Eleven Japan, a questionnaire is conducted every two years of 10,000 people to ascertain the needs of customers nationwide. In addition, at Ito-Yokado, 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

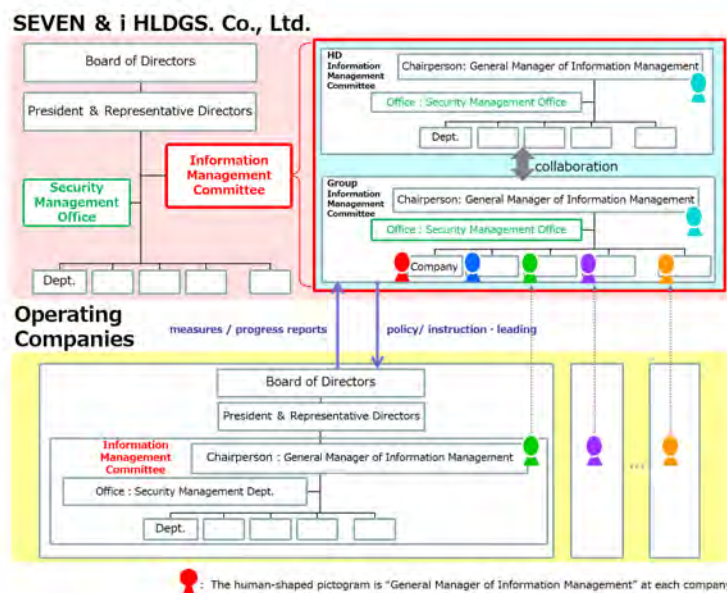
Seven & i Holdings positions the appropriate protection and security of information assets handled by the Group as an important priority and social responsibility of its management and operations and as mandatory for all executives and employees. We strictly manage personal information received from 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 PCI DSS certification, which is a global security standard, in our Omni-Channel system. Our goal is to ensure the safe handling of particularly credit card information and business partners' information.

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

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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 used 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

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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. A test of the response system is conducted annually.

## Material Issue 2 Providing Safety and Reliability through Products and Stores

### Appropriate Disclosure of Information on Products and Services

Seven & i Holdings ensures that it conducts responsible marketing activities to provide safe and reliable products and services to its customers. Seven & i Holdings Corporate Action Guidelines stipulate “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 strives to confirm the following points, when it transmits information to customers.

- We will take our customer’s perspective and provide beneficial information to them, even if the information is negative for us from the business perspective. (e.g.: Consumption of this product may be hazardous for health)
- 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, Ito-Yokado requires a prior approval 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 29, 2020, 237 employees at 17 companies underwent this training. In addition, e-learning is conducted for Group personnel involved in procurement and division staff. In the fiscal year ended February 29, 2020, 19,373 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.

## Prevention of the Sale of Alcohol and Tobacco to minors

The Seven & i Group companies sell alcoholic beverages and tobacco and recognize that it is a corporate social responsibility to take appropriate measures to prevent the drinking and smoking of people under the age of 20.

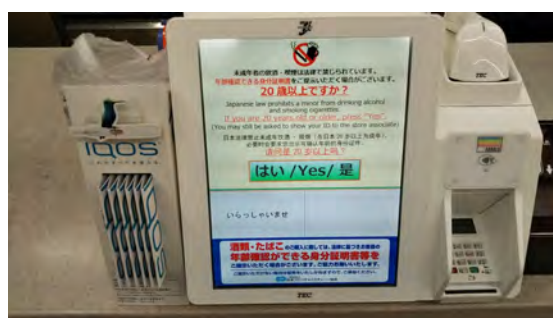
7-Eleven stores put up posters stating "Age verification is being conducted" near the checkout counters selling alcoholic beverages and tobacco and verify the age of purchasers who seem under 20 and 20s with their identification card. Besides, in cooperation with the Japan Franchise Association, Seven-Eleven Japan has established 3 months a year as a month of strengthening age verification at the time of sales of alcoholic beverages and tobacco. Seven-Eleven Japan educates and enlightens its franchisee employees not to sell them to anyone under the age of 20.

Ito-Yokado is working to prevent the sale of alcoholic beverages and tobacco to customers under 20 years of age. To raise customer awareness, it posts displays to let customers identify which products are alcohol. It makes sure to post notices informing customers that it will not sell alcohol and tobacco to customers who cannot be confirmed that they are 20 or older. All store employees receive training on how to verify the age of consumers upon joining the company. Besides, staff in charge of cash registers conducts call-and-response training to prevent the sale of alcoholic beverages and tobacco to minors before the beginning of their daily shifts. The Training Division of its head office periodically checks the implementation status.

Alcoholic beverages of Seven Premium, the Seven & i Group's private brand, are labeled following the "Voluntary code for the advertising and marketing of alcoholic beverages and the labeling of alcohol beverage containers" established by the Japan Liquor Industry Council. The Seven & i Group stores that handle alcoholic beverages sell non-alcoholic beverages that can be alternatives to alcoholic beverages for customers over the age of 20.



Poster informing customers about age checks



Display that urges customers to present ID



Cashiers receiving training on the sale of alcohol and tobacco



## 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 so that its facilities can provide customers and locals with safety and security.



## 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 Seven-Eleven Japan also provides information to raise awareness of compliance and crime prevention at franchised stores through “SS Activity Notices” issued monthly.



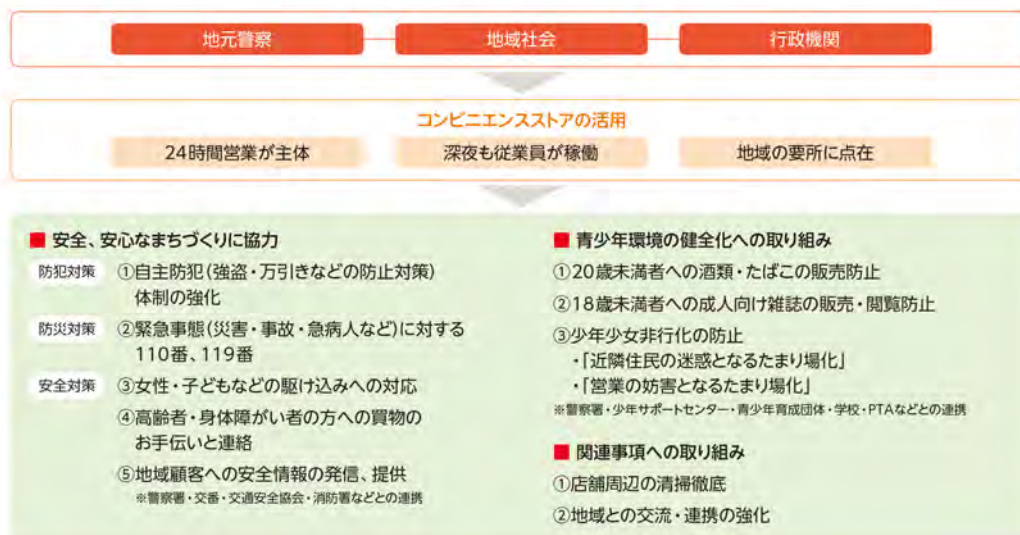
Activities are publicized using posters



Preventing the sale of alcohol and tobacco to those younger 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 stores and 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 events to learn disaster prevention and so forth in a bid to raise customer awareness of disasters.

### Cooperation with Local Government During Disasters

Seven-Eleven Japan 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. Seven-Eleven Japan 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. "7VIEW" is a system that displays the status of stores and distribution bases in disaster areas on a cloud map so that related divisions can grasp the situation. In addition to existing functions such as a hazard map, a disaster-related SNS display, and a weather forecast, we will enhance cooperation with the national government and research institutes in the fiscal year ended February 29, 2020 and continue to evolve so that we may further contribute to rapid recovery from disasters.



7VIEW Screen

\*1. Visual Information Emergency Web

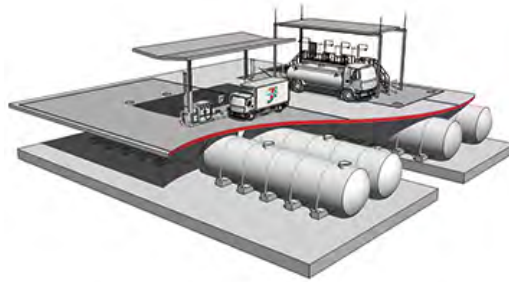
\*2. Disaster Information Sharing System

## Fuel Depot for Delivery of Emergency Provisions

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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 Ito-Yokado'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 region 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.

Procuring and selling local products from disaster-affected regions helps revitalize the agriculture and fishing industries. In addition, to keep affected regions fresh in everyone's minds, we hold sales events for products from affected partner companies in Tohoku region and the products of major food manufacturers at Ito-Yokado and a total of about 150 stores across the Group. There were 270 sponsor and participant companies and approximately 2,700 items, making the project over 10 times larger than when it first started.

#### 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



	Launch	No. of co-sponsors and participating companies	No. of products
19th Round	March 5, 2018	270 Companies	Approx. 2,300
20th Round	October 15, 2018	270 Companies	Approx. 2,300
21th Round	March 5, 2019	270 Companies	Approx. 2,300
22th Round	October 14, 2019	270 Companies	Approx. 2,300
23th Round	March 2, 2020	270 Companies	Approx. 2,700



> [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

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Since June 2011, Seven & i Holdings, through the Seven-Eleven Foundation and Great East Japan Earthquake Recovery Project, has continued to support recovery and reconstruction in areas that were severely affected. Employees of Seven & i Group companies, Seven-Eleven member stores and their employees, and others also participate each year in volunteer activities. For the 15th Great East Japan Earthquake Recovery Project held in September 2019, volunteers assisted with oyster cultivation work in Karakuwa Sosei Village of Karakuwa Town, Kesenuma City, Miyagi Prefecture by creating anchors for rafts, doing oyster cultivation work. And in the “Miyagi Seven Forest” of Naruko-onsen in Osaki City, they planted and replanted dogwood trees, which provide the raw materials for making Kokeshi dolls.

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