

# CSR DATA BOOK 2020

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## About the CSR Data Book

This report covers CSR initiatives implemented by Seven & I Holdings, the 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. In May 2019, the Seven & i Group's Environmental Declaration "GREEN CHALLENGE 2050" was formulated to respond to various changes in the social environment, such as changes in societal needs and environmental issues. To further promote a reduction of our environmental footprint and work on preserving the rich global environment for future generations, initiatives undertaken by the Group as well as their progress are also reported.

### Period of the Report

This report covers our activities during the fiscal year ended February 29, 2020 (March 2019 to February 2020). Some of our activities in the fiscal year ending February 28, 2021 are also included.

### References

GRI Sustainability Reporting Standards  
ISO 26000

**Date of Issue** February 2021

### Disclaimer

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

## Message from the President

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Based on our 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 Seven & i Group aims to realize a sustainable society as stated in the Sustainable Development Goals (SDGs)\*2 without being hindered by the COVID-19 pandemic.

To meet the expectations and needs of society, the Seven & i Group supports the Ten Principles of the UN Global Compact\*3 which we signed in 2012 and strives to put them into practice through our main business. We also identified material issues that are particularly important for society and the Group through dialogue with stakeholders. To address these issues, we are working to realize retail services that can grow sustainably, pursuing both the solutions to social issues and the improvement in corporate value.

The daily lives of our customers are changing significantly due to the spread of COVID-19. At the same time, our business environment is also changing. Under such circumstances, I think that staying close to the lives of our customers and generating ideas based on customers' lifestyles are the origins of business activities and principles when pursuing sustainability.

In our GREEN CHALLENGE 2050 Environmental Declaration announced in 2019, we stated our vision and specific targets for 2030 and 2050 as well as established four themes\*4 to achieve the vision and targets. We also established innovation teams for each of the four themes. The Group is working united as one to reduce environmental impact, with each team working on initiatives that utilize our limited global environment and resources and preserve them for future generations, such as the introduction of various new technologies and the development of a recycling-oriented society in coordination with customers, business partners and local communities.

Going forward, the Seven & i Group will continue to respond to the changes in customer needs and work toward solving social issues through our business activities even in the COVID-19 era so as to be a Group that is essential to the lives of our customers.

\*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:

reduction of CO<sub>2</sub> emission, measures against plastic, measures against food loss and for food recycling, sustainable procurement



**Ryuichi Isaka**  
President and  
Representative  
Director and  
Chairman

## 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](#)

# “GREEN CHALLENGE 2050”

## Seven & i Group's Environmental Declaration

### “GREEN CHALLENGE 2050”

Formulated May 2019  
Partially revised December 2020

The Seven & i Group has strived to realize wealthy and convenient lives by responding to various changes in the social environment through the provision of products and services with value. At the same time, various environmental issues and social issues (e.g., external diseconomies) have come to the fore. Solutions to these issues are urgently needed for the sustainable development of society. With awareness of this current situation, our group will further promote a reduction of our environmental footprint across our entire store network and supply chain. All employees in our group are coming together as one to work on preserving the healthy global environment for future generations.

Vision	Theme	Targets for 2030	2050 Vision
Decarbonized society	Reduction of CO2 emissions	Reduce emissions from group store operations by 30% (compared to FY2013).	Reduce emissions from group store operations to net-zero
		Reduce emissions across our entire supply chain (scope 3) in addition to our own emissions (scopes 1 + 2).	
Circular Economy	Measures against plastic	Containers used in our original products (including Seven Premium) to be made 50% with environmentally friendly materials (e.g., biomass, biodegradable and recycled materials and paper).	Containers used in our original products (including Seven Premium) to be made 100% with environmentally friendly materials (e.g., biomass, biodegradable and recycled materials and paper).
		Zero use of plastic-made shopping bags. Shopping bags to be made of sustainable natural materials (e.g., paper).	—
	Measures against food loss and for food recycling	Reduce food waste by 50% at the amount generated by unit (amount generated per million yen in sales) (compared to FY2013).	Reduce food waste by 75% at the amount generated by unit (amount generated per million yen in sales) (compared to FY2013)
		Increase food waste recycling rate to 70%.	Increase food waste recycling rate to 100%.
Society in harmony with nature	Sustainable procurement	50% of the raw food ingredients used in our original products (including Seven Premium) to be those that guarantee sustainability.	100% of the raw food ingredients used in our original products (including Seven Premium) to be those that guarantee sustainability.

\*We will review our targets in response to changes in the social environment.

## Identification of the Four Themes

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### Awareness of the Current Situation

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The Seven & i Group operates diverse distribution service business lines (e.g., convenience stores, supermarkets, department stores and specialty stores). We meet the daily living needs of our customers through these store networks. At the same time, we strive to provide the new value demanded by the times and society. This has allowed us to develop a store network with more than 22,500 stores in Japan. We have been able to grow into a company with 25 million customers visiting us a day. (These figures are current as of the end of February 2020.) As a result, the products and services we provide are enjoyed by many customers. On the other hand, this now has a considerable effect on the global environment.

As indicated by the Sustainable Development Goals (SDGs), the whole world is seriously seeking sustainable development. Against this backdrop, it is now essential we proactively reduce our environmental footprint so that our group can grow together with our customers and participate in development with society.

### Identification of Themes

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To that end, we first strived to more specifically express our efforts to reduce our environmental impact. We did this by identifying fields with a particularly high social effect in the environmental impact generated by our business activities. As a result, we recognize that there are four themes with a large social impact that are especially close to our business activities: CO2 emissions generated by the use of the power necessary in our store operations (e.g., lighting, refrigeration and freezing); use of plastic (e.g., various products, shopping bags and packaging materials); food loss arising from the disposal of products; and product procurement with an impact on the environment and society in the raw material, processing and manufacturing processes.

### Target Value Setting

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We grasped the current situation for each of these themes to respond effectively to these challenges. We then specifically indicated our mission and responsibility in the near future of 2030 and in the next generation society of 2050 by setting targets quantitatively. We consider the stakeholders given in our corporate creed to be a sincere company that is trusted to also include the future generations. With this in mind, we would like to share our environmental goals "GREEN CHALLENGE 2050" with each generation in the future.

### All Employees Working Together As One

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First, all the employees in our group will share the purpose and targets of "GREEN CHALLENGE 2050". We will then work to achieve this in our daily work. At the same time, it is also essential to respond to social diseconomies arising between companies in the process of distribution to achieve these targets. We will expand our close cooperation structure with our customers, local communities, business partners and all our other stakeholders through serious efforts with our whole group coming together as one. We will then promote innovation toward the creation of a sustainable society.

## Launch of Four Theme-based Innovation Teams

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We will work on new innovation under four themes: reduction of CO2 emissions, measures against plastic, measures against food loss and for food recycling, and sustainable procurement. To that end, we will select leaders (executive officers and higher) from supervisory departments in each operating company to promote cross-group efforts to achieve our targets for 2030 and 2050.

- > [Efforts for reduction of CO2 emissions](#)
- > [Measures against plastic usage](#)
- > [Efforts for effective use of plastics](#)
- > [Measures against food loss and for food recycling](#)
- > [Efforts for sustainable procurement](#)

# 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
<b>Customers</b>	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"> <li>● Daily operations</li> <li>● Inquiries to the customer feedback department</li> <li>● Customer questionnaires</li> <li>● Website community that invites customers to participate</li> </ul>	<ul style="list-style-type: none"> <li>● Provide products and services that enrich customers' lives</li> <li>● Improve products and services and ensure safety</li> <li>● Label accurately in an easily understandable manner</li> <li>● Manage personal information appropriately</li> <li>● Promote universal design</li> </ul>
<b>Business Partners</b>	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"> <li>● Product development meetings</li> <li>● Quality improvement meetings</li> <li>● Informal gatherings with business partners</li> <li>● CSR audits of business partners</li> <li>● Business Partner Help Line</li> <li>● Business partner questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>● Development of products and services through team merchandising</li> <li>● Rigorous fair trade practices</li> <li>● Compliance with laws and regulations through the supply chain and consideration for human rights and the environment</li> </ul>
<b>Shareholders and Investors</b>	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"> <li>● General Shareholders' Meeting</li> <li>● Financial results presentations</li> <li>● Meetings with investors</li> <li>● Information website for investors and organization newsletter</li> </ul>	<ul style="list-style-type: none"> <li>● Maximization of shareholder value and return profits</li> <li>● Proper accounting procedures and timely disclosure of information</li> <li>● Highly transparent management</li> <li>● Accountability toward beneficiaries</li> </ul>
<b>Local Communities</b>	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"> <li>● Regional Comprehensive Economic Partnerships with local governments</li> <li>● Participation in community activities</li> <li>● Dialogue through industry groups</li> </ul>	<ul style="list-style-type: none"> <li>● Provision of products and services matching regional characteristics</li> <li>● Consideration for living environments in regional areas</li> <li>● Contribution to regional development</li> <li>● Resolution of social issues in collaboration with NGOs, NPOs, and others</li> <li>● Safe and reliable urban development in collaboration with administrative authorities</li> <li>● Support for local production and local consumption, dietary education, child-raising, the elderly, and people with disabilities</li> <li>● Provision of products after the occurrence of natural disasters and support for affected areas</li> <li>● Participation in volunteer activities</li> </ul>

Engagement with Stakeholders		Main Engagement Methods	Main Response Policy
<b>Franchise Store Owners</b>	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"> <li>● Regular OFC visits to stores</li> <li>● Product exhibitions</li> <li>● Training and workshops by region</li> <li>● Owners' organization newsletter</li> </ul>	<ul style="list-style-type: none"> <li>● Strengthening of management structure</li> <li>● Strengthening of store operation capabilities</li> <li>● Strengthening of partnerships</li> <li>● Construction and ongoing improvement of a highly competitive franchise system</li> </ul>
<b>Employees</b>	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"> <li>● Management policy briefings</li> <li>● Employee opinion survey</li> <li>● Employee training</li> <li>● Self-check systems and individual meetings</li> <li>● Internal portal website and Group newsletter</li> <li>● Employee Help Line</li> </ul>	<ul style="list-style-type: none"> <li>● Respect for human rights, diversity, and individuality</li> <li>● Creation of discrimination-free workplaces that consider human rights</li> <li>● Utilization of diverse human resources</li> <li>● Occupational health and safety and prevention of workplace accidents</li> <li>● Achievement of work-life balance</li> <li>● Preventative care for mental health</li> <li>● Promotion of employee health</li> <li>● Transparent and fair evaluations</li> <li>● Respect for rights, such as the right for employees to engage in collective bargaining</li> <li>● Support for development of employee abilities</li> </ul>
<b>Global Environment</b>	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"> <li>● Inquiries to the customer feedback department</li> <li>● Dialogue with product and packaging materials suppliers</li> <li>● Dialogue with national and local governments, NPOs, and NGOs, and residents of store neighborhoods</li> <li>● Dialogue with equipment and maintenance companies</li> <li>● Waste disposal companies</li> </ul>	<ul style="list-style-type: none"> <li>● Reduced CO2 emissions</li> <li>● Reduced energy consumption</li> <li>● Environmental awareness among employees</li> <li>● Compliance with environmental legislation</li> <li>● Installation of energy saving and environmentally friendly equipment</li> <li>● Water-saving measures</li> <li>● Reduction of waste and promotion of recycling</li> <li>● Reduction of packaging materials</li> <li>● Preservation of biodiversity</li> <li>● Environmentally considerate products and services</li> </ul>

# Corporate Governance

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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

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Seven & i Holdings has adopted the Audit & Supervisory Board system for implementing management oversight. The Board of Directors comprises 13 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, Seven & i Holdings 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. There are 18 executive officers (17 men and 1 woman).

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.

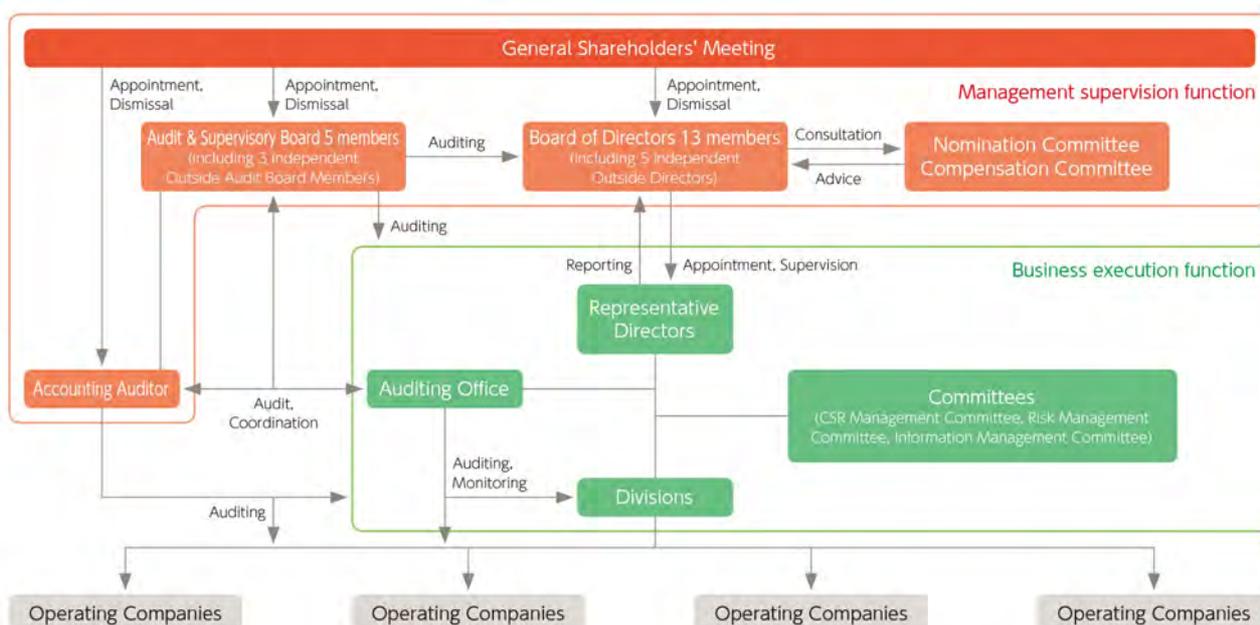
\* The number of people is as of the end of May 2020.

## Strengthening Corporate Governance

All of the Outside Directors and Outside Audit & Supervisory Board Members of Seven & i Holdings are independent from Seven & i Holdings. 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 Seven & i Holdings. In the event that an Outside Director or an Outside Audit & Supervisory Board Member is likely to be significantly controlled by the management of Seven & i Holdings or is likely to significantly control the management of Seven & i Holdings, that Outside Director or Outside Audit & Supervisory Board Member is considered to have a potential conflict of interest with general shareholders of Seven & i Holdings and is considered to lack independence. In accordance with this fundamental approach, Seven & i Holdings uses the independence criteria established by the financial instrument exchange as the independence criteria for Seven & i Holdings' 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. Seven & i Holdings has established a support system that facilitates smooth information exchange and close interaction with the other Directors and the other Audit & Supervisory Board Members.

### Seven & i Holdings Corporate Governance System (As of May 28, 2019)



## Nomination Committee and Compensation Committee

Seven & i Holdings has established the Nomination Committee and Compensation Committee as the advisory bodies to the Board of Directors. Each committee consists of three independent Outside Directors and two internal directors (with independent outside directors comprising the majority), and the chairperson is an independent Outside Director. The internal members of the Compensation Committee are selected from directors who are not the representative director.

The Nomination Committee deliberates on the nomination of Representative Directors, Directors, Audit Board Members, and Executive Officers, and the Compensation Committee deliberates on their remuneration. This enables the utilization of 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.

## Corporate Governance by Various Committees

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Seven & i Holdings has established the “CSR Management Committee,” “Risk Management Committee,” and “Information Management Committee,” which report to the Representative Director. Each committee determine Group policies in cooperation with the operating companies, and strengthens corporate governance by managing and supervising their dissemination and execution.

### CSR Management Committee

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Seven & i Holdings has established the CSR Management Committee for the purpose of promoting, administrating and supervising the CSR activities of the entire Group. Seven & i Holdings has also established the “Compliance Subcommittee,” “Corporate Ethics and Culture Subcommittee,” “Supply Chain Subcommittee,” “Environment Subcommittee” and “Social Value Creation Subcommittee” as group-wide cross-organizational bodies under the CSR Management Committee tasked with the examination and execution of concrete measures to address the “Five Material Issues” of the Group as a whole. Through the activities of these subcommittees, Seven & i Holdings aims to realize more thorough practice of compliance, promote operating activities that will contribute to the solution of social issues relating to stakeholders, and work toward the sustainable development of both society and the Group, from the perspective of ESG (environment, society, and governance).

Furthermore, Seven & i Holdings operates an internal reporting system that can be used by Group officers, employees, and business partners as part of the internal controls of the whole Group. The executive officer in charge of the CSR Management Committee regularly reports and confirms the operational status of the internal reporting system at the Board of Directors’ meeting.

### Risk Management Committee

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In accordance with the basic rules for risk management, Seven & i Holdings and its Group companies establishes, streamlines, and manages comprehensive risk management systems, centered on the Risk Management Committee, in order to properly analyze, evaluate, and appropriately respond to risks associated with each business, with consideration for changes in the management environment and risk factors relevant to Seven & i Holdings and its Group companies.

The Risk Management Committee receives reports on the risk management status of the respective companies from the departments responsible for the management of risks, comprehensively determines, assesses, and analyzes risks, discusses measures, and determines the future direction. Meanwhile, with regard to individual risks, Seven & i Holdings has carried out efforts to further strengthen risk management of the entire Group by assisting with risk evaluation and analysis, supporting for the implementation of risk mitigation measures at each Group company, and sharing risk-related information from inside and outside Seven & i Holdings, using group-wide cross-organizational meeting bodies led by each of Seven & i Holdings’ departments responsible for the management of risks.

### Information Management Committee

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In accordance with the Information Control Regulations, Seven & i Holdings established the Information Management Committee, chaired by the information management supervisor, to carry out risk analysis, evaluation, and measures regarding the management of all operations-related information that is learned, created, or retained by officers and employees of the Group.

In FY2020, the committee continued initiatives carried on from FY2019 and worked at strengthening information collection and management systems. While gathering important information from each company in an appropriate and timely manner and revamping the system for the cooperative framework for dealing with this, the committee centrally managed this information and strengthened the system for reporting that information without omission or delay to management and relevant divisions.

In the area of information security, in response to an incident involving unauthorized access in connection with 7pay, measures were taken to increase personnel with expertise in security and to establish a dedicated department that comprehensively takes control of security measures within the Group and is independent from business execution. In addition, Seven & i Holdings carries out efforts to improve awareness and enhance the sophistication of security by developing security policy and guidelines, etc., applied across the Group, increasing the level of sophistication of internal company training, and strengthening monitoring.

Through these measures, Seven & i Holdings is working to strengthen the Group’s information management and information security.

## 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 Seven & i Holdings' "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, Seven & i Holdings 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 Seven & i Holdings 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, Seven & i Holdings has prepared an Internal Control Handbook. Seven & i Holdings 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, Seven & i Holdings 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 four subcommittees—Compliance Subcommittee, the Corporate Ethics and Culture Subcommittee, Supply chain 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 Whistleblowing System

Seven & i Holdings has set up the Groupwide Employee Helpline, the Business Partner Helpline, 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 Helpline is for receiving reports from employees of operating companies in Japan, the Audit & Supervisory Board Hotline is for reports related to management, and the Business Partner Helpline is for reports from business partners.



The three internal reporting systems 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.)

Once a whistleblowing is received, the company subject to the whistleblowing 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 at the end of the month following notification of 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 Development 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 Helpline" to the Consumer Affairs Agency's Whistleblower Compliance Management System and has continued to updated it.



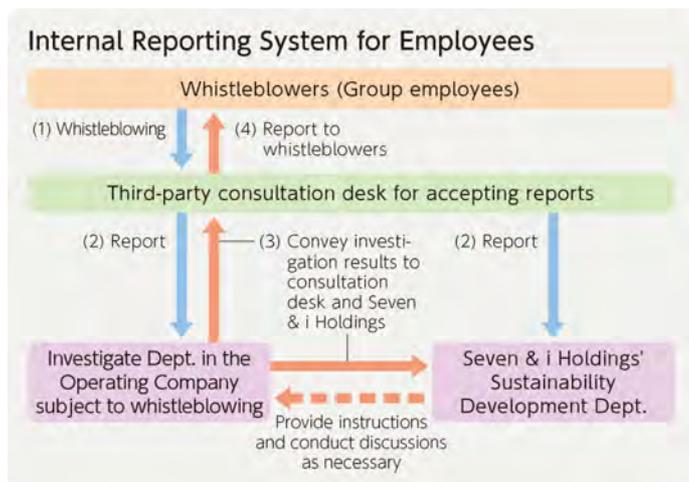
※Whistleblower Compliance Management System

A system in which businesses compare their own internal reporting systems to the Consumer Affairs Agency's "Guidelines for Private Enterprises Regarding the Development and Operation of Internal Reporting Systems Based on the Whistleblower Protection Act," and those businesses who comply with said guidelines are given permission to display the WCMS symbol.

## Groupwide Employee Helpline (Internal Whistleblowing System for Employees)

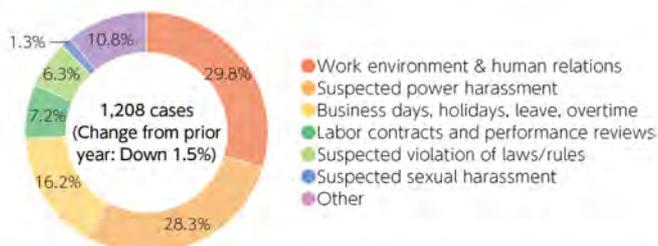
The Groupwide Employee Helpline can be used by Group employees, Directors and Audit & Supervisory Board Members, and retirees and their families. To ensure that all employees are aware of the system and its contact points, it is explained in employee training and on the intranet, and posters are put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

### Procedural Flow for the Groupwide Employee Helpline



### Number of reports for the fiscal year ended February 29, 2020

#### Breakdown of Internal Reports



\* For the Groupwide Help Line, some Group companies 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

(Internal Whistleblowing System for Matters Related to the Group Executives and the Members of Management)

The Audit & Supervisory Board Hotline has been in operation since February 2019 for the purpose of receiving 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, and investigating them. When the Company receives a report, it quickly confirms the facts, and the members of the Seven & i Holdings Audit & Supervisory Board work together with the members of operating company Audit & Supervisory Boards to correct any violations that are found and strive to prevent a recurrence.

### Procedural Flow for the Audit & Supervisory Board Hotline



### Number of reports for the fiscal year ended February 29, 2020

#### Breakdown of Internal Reports



## Business Partner Helpline (Internal Whistleblowing System for Subcontractors)

The Business Partner Helpline can be used by 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 helpline 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 Helpline



### Number of reports for the fiscal year ended February 29, 2020

#### Breakdown of Internal Reports



## Compliance 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 prepares questions related to compliance and periodically conducts the Employee Engagement Survey, an 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:](#)

## Anti-corruption

Seven & i Holdings is a signatory to "the UN Global Compact." Based on the spirit of "Trust and Sincerity" set forth in the Corporate Creed, the Seven & i Holdings is working on anti-corruption, including extortion and bribery, in compliance with the laws and regulations of the regions in which it operates. The Seven & i Holdings Corporate Action Guidelines states, "We conduct transactions based on appropriate conditions by following sound business practices. No transactions should be made for personal gain or benefit." We prohibit the provision of gifts, entertainment, and financial benefits to public officials or persons equivalent thereto in Japan and overseas. We also prohibit the receipt of private benefits from business partners, and do not engage in any form of corruption or fraud, including bribery, illegal political contributions, money laundering, and embezzlement. As a member of the international community, we pay close attention to countries, regions, organizations, and individuals subject to international economic and trade sanctions. Each the Seven & i Group company has provided specific guidance for implementing the Seven & i Holdings Corporate Action Guidelines in accordance with its business characteristics and educates its employees.

The Seven & i Group reports any suspected violation of compliance, including corruption, to its superiors, and accepts reports from employees through the Groupwide Employee Helpline, an internal reporting system, and from business partners through the Business Partner Helpline. If a serious violation occurs, we report it to the Board of Directors and take disciplinary action in accordance with internal regulations. The status of compliance with the Corporate Action Guidelines is confirmed in the "Employee Engagement Survey" which is held every two years, and the "Business Partner Questionnaires" which are held every year.

In addition, we ask our suppliers to prevent corruption and conduct fair transactions in the "Seven & i Group Business Partner Sustainable Action Guidelines". We disseminate the guidelines at supplier briefings and confirm the progress of the guidelines through self-check sheets. In China and Southeast Asia, where CSR risks are high, we also conduct compliance training for suppliers of outsourced manufacturing of private-brand products.

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

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

## System for Prevention of Noncompliance Regarding Business Practices

Seven & i Holdings, in its Compliance Subcommittee, is working to prevent violations by sharing information on the latest laws and regulations concerning business practices and measures to address cases of unfair business practices that have occurred at Group companies or other companies in the industry.

If a case of an unfair business practice occurs, or is suspected, the FT Information Sharing Committee and the Sustainability Development 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

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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

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Seven & i Holdings aims to be a sincere company that is trusted by its stakeholders, and it positions the safeguarding of personal information and 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. Our company has established the Basic Policy on Protection of Personal Information and the Basic Policy on Information Security, and it has made it mandatory for all employees to comply with relevant laws and regulations such as the Act on the Protection of Personal Information and internal rules to ensure appropriate business execution through the protection of personal information and the use of information assets.

› [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 29, 2020

(Millions of yen)

	Japan	North America	China
Tax payment	84,798	7,532	298
Revenues from operations	3,745,475	2,782,055	118,118
Operating income	321,441	101,777	1,199

# 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 Sustainable 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 29, 2020, a total of 48 training sessions were held, and a total of 925 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” to raise employee awareness.



Human Rights – Let’s Start by Learning handbook



Human rights training

### Human Rights Slogan Contest

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 29th time in the fiscal year ended February 29, 2020, and 61,142 proposals were received, marking yet another year with a large number of submissions. The submissions emphasized reconsidering the importance of human rights, touching on everything from personal feelings in one's daily life to musings from a broader perspective.



Poster calling for the submission of human rights slogans

## Evaluation of Respect for Human Rights

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### Conducting Employee Engagement Surveys

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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. The next survey is scheduled for the second half of FY2020 .

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

### Consultation Service for Employees

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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

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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

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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 29, 2020, CSR audits were conducted at 304 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 five subcommittees. The meetings also help to strengthen the framework of collaboration between the holding company and operating companies.



## Compliance Subcommittee

The Group employees complying with laws, regulations and social norms and practicing compliance including fair trade with customers and business partners is absolutely essential to realizing the Group's Corporate Creed "Trust and Sincerity." In addition to reinforcing thorough compliance at each Group company level, the Company newly establishes the Compliance Subcommittee in order for the Company, being the shareholding company, to support each Group company strengthen its compliance systems, as well as ensure effective supervision thereby.

## Corporate Ethics and Culture Subcommittee

The Group employees understanding the Group's Corporate Creed and rigorous implementation of the Corporate Action Guidelines are an essential and important foundation to realize the Group's Corporate Creed "Trust and Sincerity." The Corporate Ethics and Culture Subcommittee conducts initiatives based on rigorous implementation of the Corporate Action Guidelines, such as to improve Group employee awareness through education by making everyone aware of the Corporate Creed and the Corporate Action Guidelines. In addition to these initiatives, to create fulfilling workplaces, the Company have been conducting an Employee Engagement Survey. The Company is also 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. Further, the Company is 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](#)

## Supply Chain Subcommittee

It is one of the important corporate social responsibilities for companies and also a strong demand by stakeholders to promptly respond to the United Nations' "Guiding Principles on Business and Human Rights" and "Sustainable Development Goals (SDGs)," and to build a sound supply chain with human rights and the environment in mind. To improve product quality and ensure safety at each Group company, the Company aims to establish and strengthen the quality levels and control systems of each Group company based on the Group's Quality Policy. Furthermore, to ensure that the Company meets its social responsibilities regarding products and services across the entire supply chain, the Company asks business partners to understand and implement the Business Partner Sustainable Action Guidelines. To regularly verify and share their compliance through CSR audits and so on, and to promote education, enlightenment and correction, the Company newly establishes the Supply Chain Subcommittee.

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

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

## Environment Subcommittee

The Company uses products, raw materials and energy efficiently to combat challenges such as climate change and resource depletion, and the Company is working with customers and business partners to reduce the environmental impact throughout the supply chain. The Company believes this is an important factor that contributes to the sustainable development of society and will result in the sustainable growth of the Group. Therefore, 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. It will also consider disclosure based on recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

## 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. 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 FY2019 Targets	Results for FY2019	Evaluation	Main Plans for FY2020
<b>Compliance Subcommittee</b>			
<b>(1) Establishing fair business practices</b>			
<ul style="list-style-type: none"> <li>In preparation for the consumption tax rate increase, monitor the status of compliance with the consumption tax imputation methods and promote remedial measures</li> <li>Conduct joint training for newly appointed product managers in March and October on abuse of superior bargaining position, the Subcontracting Act, and laws related to labeling</li> <li>Conduct e-learning May: Labeling, premiums, etc. September: Consumption tax imputation method October: Antimonopoly Act (abuse of superior bargaining position, Subcontracting Act)</li> </ul>	<ul style="list-style-type: none"> <li>FT project information sharing 29 Group companies participated; Number of participants: 59</li> <li>Group training results Held 35 times; Number of participants: 1,819</li> <li>e-learning results Held 5 times; Number of participants: 19,373</li> </ul>	○	<ul style="list-style-type: none"> <li>Confirm the status of compliance with the Antimonopoly Act, the Subcontract Act, the Act against Unjustifiable Premiums, the Act Concerning Special Measures for Correcting Practices Impeding Consumption Tax Pass-on, etc., and take remedial measures</li> <li>FT training (e-learning) April: General labeling training (including food labels), 4,000 people July: Premium regulations, 3,000 people November: Subcontracting Act, abuse of superior bargaining position, 9,000 people (in total)</li> <li>Group education First half: 10 times, 450 people Second half: 20 times, 900 people</li> </ul>
<b>(2) Enforcement of compliance</b>			
—	—	○	<ul style="list-style-type: none"> <li>Implement compliance function questionnaires and interviews (November - December)</li> <li>Compliance e-learning</li> </ul>
<b>(3) Enhancement of preventive legal functions</b>			
—	—	○	<ul style="list-style-type: none"> <li>Implement compliance function questionnaires and interviews (November-December)</li> </ul>
<b>(4) Strengthen the internal reporting system</b>			
<ul style="list-style-type: none"> <li>Aim to register the Employee Help Line in the Consumer Affairs Agency's Whistleblower Compliance Management System</li> </ul>	<ul style="list-style-type: none"> <li>Registration in Whistleblower Compliance Management System</li> </ul>	○	<ul style="list-style-type: none"> <li>Conduct training using an outside instructor for Group company Help Line staff (at least once a year)</li> <li>Aim to renew the registration of the Employee Help Line in the Consumer Affairs Agency's Whistleblower Compliance Management System</li> </ul>

Major FY2019 Targets	Results for FY2019	Evaluation	Main Plans for FY2020
<b>Corporate Ethics and Culture Subcommittee</b>			
(1) Thoroughly ensure compliance with Corporate Action Guidelines			
<ul style="list-style-type: none"> <li>Explain the Corporate Creed and Corporate Action Guidelines to employees</li> <li>In the next Employee Engagement Survey, aim to improve compliance with the Corporate Action Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Read through the Corporate Code of Conduct during Compliance Month (November 2019)</li> <li>Made preparations for the autumn 2020 Employee Engagement Survey</li> </ul>	△	<ul style="list-style-type: none"> <li>Focus on awareness of the Corporate Creed and Corporate Action Guidelines when educating employees and help them take root</li> <li>In the autumn Employee Engagement Survey, ascertain compliance with the Corporate Action Guidelines</li> </ul>
<ul style="list-style-type: none"> <li>Conducted e-learning tailored to solving social issues through our business as well as recent social developments</li> </ul>	<ul style="list-style-type: none"> <li>Conduct e-learning tailored to solving social issues through our business</li> </ul>	○	—
<ul style="list-style-type: none"> <li>Continue conducting e-learning on compliance and harassment</li> <li>Conduct compliance training by the external instructor at the operating companies that did not conduct it in FY2018</li> </ul>	<ul style="list-style-type: none"> <li>Since we focused on reading through the Corporate Code of Conduct, e-learning on compliance, etc., was not implemented</li> <li>Conducted compliance training by an external instructor at the operating companies</li> </ul>	○	<ul style="list-style-type: none"> <li>Compliance training (transferred to the Compliance Subcommittee due to subcommittee reorganization)</li> <li>Implementation of harassment training based on enhancing harassment prevention</li> </ul>
(2) Create fulfilling workplaces			
<ul style="list-style-type: none"> <li>Manage issues based on the results of the employee survey conducted in November 2018, and formulate / implement improvement measures</li> </ul>	<ul style="list-style-type: none"> <li>Organized issues based on the results of the survey and monitored the planning and implementation of improvement measures</li> </ul>	○	<ul style="list-style-type: none"> <li>Monitor planning and implementation of improvement measures, share examples of improvement cases</li> <li>Conducting Employee Engagement Surveys</li> <li>Manage issues based on the survey results, and plan / do improvement measures</li> </ul>
<ul style="list-style-type: none"> <li>Share information among and provide support to operating companies in order to further promote the employment of persons with disabilities</li> <li>*Produce a DVD on the hiring and retention of people with disabilities</li> <li>Maintain or exceed statutory employment rate for people with disabilities at the five applicable Group companies (employment rate of 2.96% for people with disabilities)</li> </ul>	<ul style="list-style-type: none"> <li>Planned and promoted employment of people with disabilities in accordance with the business characteristics of each Group company</li> <li>*Distributed a DVD on the hiring and retention of people with disabilities and improved awareness</li> <li>2.96% employment rate for people with disabilities at the five applicable Group companies (as of June 1, 2020)</li> </ul>	○	<ul style="list-style-type: none"> <li>In response to law revisions, promote employment of people with disabilities and encourage normalization</li> <li>Maintain or exceed the statutory employment rate for people with disabilities at the five applicable Group companies</li> <li>Revise and utilize the normalization support guide to promote the employment and retention of people with disabilities</li> </ul>
<ul style="list-style-type: none"> <li>Certify approximately 40,000 Dementia Supporters group-wide on a cumulative basis</li> </ul>	<ul style="list-style-type: none"> <li>Certified approximately 37,000 Dementia Supporters on a cumulative basis (as of end of February 2020)</li> </ul>	△	<ul style="list-style-type: none"> <li>Certify approximately 40,000 Dementia Supporters group-wide on a cumulative basis</li> </ul>
(3) Diversity & Inclusion Promotion Project			
<ul style="list-style-type: none"> <li>Set KPI to increase the percentage of female managers to 30% by 2020 and review progress each fiscal half</li> <li>Continue to strengthen training of female candidates for management positions</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of female managers (end of February 2020) Section Managers: 22.3% Team Leaders: 32.4%</li> <li>Continued holding seminars for females in management positions (four sessions)</li> <li>Held Group D&amp;I Promotion Liaison Meeting (three sessions)</li> </ul>	○	<ul style="list-style-type: none"> <li>Set KPI to increase the percentage of female managers to 30% by 2022 and review progress each fiscal half</li> <li>Strengthen training of female candidates for management positions</li> <li>Conduct training to change a way of thinking</li> </ul>
<ul style="list-style-type: none"> <li>Continue to conduct awareness raising activities targeting the executives and managers of Group companies</li> <li>Encourage men to participate more in housework and childcare</li> <li>Promote use of childcare leave among male employees</li> </ul>	<ul style="list-style-type: none"> <li>Held diversity management seminars (three times)</li> <li>Held meetings for Ikumen Promotion Program (two sessions)</li> <li>Held meetings for Child-Raising Community (four sessions)</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue to conduct awareness raising activities targeting the executives and managers of Group companies</li> <li>Encourage men to participate more in housework and childcare</li> <li>Promote use of childcare leave among male employees</li> </ul>

Major FY2019 Targets	Results for FY2019	Evaluation	Main Plans for FY2020
<ul style="list-style-type: none"> <li>Disseminate basic knowledge on balancing work and family care responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>Continued holding family care seminar (two sessions)</li> <li>Introduced role models and family care systems that balance work and family care in Group PR brochures</li> </ul>	○	<ul style="list-style-type: none"> <li>Disseminate basic knowledge on balancing work and family care responsibilities</li> </ul>
<ul style="list-style-type: none"> <li>Promote diversity and inclusion and continue internal publicity relating to work-life synergies</li> <li>Promote LGBT understanding</li> <li>Aggressive external communication</li> </ul>	<ul style="list-style-type: none"> <li>Presented role models through Group PR brochures and ran a special feature on LGBT issues</li> <li>Continued holding LGBT seminars</li> <li>Took part in Seven-Eleven Japan's Tokyo Rainbow Pride 2019 and posted a rainbow vertical banner by Sogo &amp; Seibu (Seibu Shibuya store)</li> </ul>	○	<ul style="list-style-type: none"> <li>Promote diversity and inclusion and continue internal publicity relating to work-life synergies</li> <li>Promote LGBT understanding</li> <li>Active external communication</li> </ul>
<b>(4) Promoting health management</b>			
<ul style="list-style-type: none"> <li>Theme 1: Implement initiatives for maintaining health, preventing illnesses, and returning to health</li> <li>Improve employees' health awareness</li> </ul>	<ul style="list-style-type: none"> <li>Formulated and disseminate Seven &amp; i Health Declaration NEXT</li> <li>Expanded checkup items for regular health checks</li> <li>Participated in outdoor walking events in the Greater Tokyo Area and held walking seminars at the Yotsuya Headquarters</li> <li>Held a walking event using the in-house portal site for individual participation (twice)</li> <li>Introduced wearable devices and lent them to employees on a trial basis (1,000 units)</li> </ul>	○	<ul style="list-style-type: none"> <li>Plan and implement measures based on Health Declaration NEXT</li> <li>Implement initiatives for maintaining health, preventing illnesses, and returning to health</li> <li>Raising employee health awareness</li> </ul>
<ul style="list-style-type: none"> <li>Comfortable working conditions where people can work with healthy minds and bodies</li> <li>Establishment of healthy and comfortable working environments</li> </ul>	<ul style="list-style-type: none"> <li>Gradually introduced a non-smoking period at the Yotsuya Headquarters Building (December 2019 onward)</li> <li>Renovated and abolished smoking areas to prevent second-hand smoke and reduce smoking rates</li> </ul>	○	<ul style="list-style-type: none"> <li>Comfortable working conditions where people can work with healthy minds and bodies</li> <li>Establishment of healthy and comfortable working environments</li> </ul>
<b>Supply Chain Subcommittee</b>			
<b>(1) Improving product quality and ensuring safety</b>			
<ul style="list-style-type: none"> <li>Develop foundations and reinforce organization and personnel at each Group company</li> </ul>	<ul style="list-style-type: none"> <li>Group companies established a special department independent from the sales department (15 among the target 16 companies)</li> <li>Group companies increased personnel</li> </ul>	○	<ul style="list-style-type: none"> <li>Develop foundations and further reinforce organization and personnel at each Group company</li> </ul>
<ul style="list-style-type: none"> <li>Revise of Quality Policy</li> </ul>	<ul style="list-style-type: none"> <li>Revised the Quality Policy formulated in 2014</li> <li>Pursued sustainability: strengthened supply chain management</li> <li>Legal compliance: Complied with laws and social norms</li> </ul>	○	—
<ul style="list-style-type: none"> <li>Implement factory process audits by an external auditing organization at PB product (clothing/household goods) factories</li> </ul>	<ul style="list-style-type: none"> <li>Conducted test audits</li> <li>Audit results: 22 factories</li> <li>Audit passed: 20 factories</li> <li>*Seven &amp; i Holdings issued conformity certificates to factories that passed both CSR and process audits (8 factories)</li> </ul>	○	<ul style="list-style-type: none"> <li>Implement process audits by an external auditing organization at PB product (clothing/household goods) factories</li> </ul>

Major FY2019 Targets	Results for FY2019	Evaluation	Main Plans for FY2020
<ul style="list-style-type: none"> <li>Conduct MD training (textiles, sundries, Pharmaceuticals and Medical Devices Act, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Training with regard to Textiles/Pharmaceuticals Act and food allergies</li> <li>Total training results for Group companies: 2,031 people; Seven-Eleven Japan, Ito-Yokado, York Mart, SHELL GARDEN, Iwai Foods, Sogo &amp; Seibu, Akachan Honpo, THE LOFT, Nissen, Barneys Japan, Oshman's Training; Attendance rate: 95%</li> </ul>	○	<ul style="list-style-type: none"> <li>Conduct MD training (textiles, sundries, Pharmaceuticals and Medical Devices Act, etc.)</li> <li>Required training attended by 100% of trainees</li> </ul>
<ul style="list-style-type: none"> <li>Promote acquisition of certification pursuant to international standards by factories that manufacture original products to support HACCP systemization</li> </ul>	<ul style="list-style-type: none"> <li>Obtained JFS standard certification and conformity certification at all 165 of Seven-Eleven Japan's factories dedicated to manufacturing original products such as boxed lunches, rice balls, sandwiches, delicatessen items, noodles, bread, and pastries</li> <li>Obtained certification/conformity certification of food safety management standards consistent with international standards that include Codex HACCP, such as ISO 22000, FSSC 22000, and JFS standards, at all factories that manufacture Seven Premium products (acquisition status: 68%)</li> </ul>	○	<ul style="list-style-type: none"> <li>Promote acquisition of certification pursuant to international standards by factories/plants that manufacture original products to support HACCP systemization (Acquire at 100% of target factories)</li> </ul>
<ul style="list-style-type: none"> <li>HACCP support in stores</li> </ul>	<ul style="list-style-type: none"> <li>Achieved hygiene management that incorporates the HACCP approach. Companies created manuals, etc., and the quality control department, trainers, supervisors, and others educated sales representatives. Target operating companies: Seven-Eleven Japan, Ito-Yokado, YB, York, SHELL GARDEN, Sogo &amp; Seibu</li> </ul>	○	<ul style="list-style-type: none"> <li>Check the operational status of HACCP in stores. Target stores (SEJ, IY, YB, York, SHELL GARDEN, and Sogo &amp; Seibu). Implementation of e-learning for employees (planned attendees: approx. 1,500)</li> </ul>
<ul style="list-style-type: none"> <li>Nutritional components: In addition to the five label items (calories, protein, fat, carbohydrates, and salt equivalents) stipulated by the Food Labeling Act, dietary fiber and sugar (available carbohydrates) are labeled as well</li> </ul>	<ul style="list-style-type: none"> <li>Implemented labeling on daily products of Seven Premium/Seven-Eleven, Ito-Yokado's delicatessen items. *Excluding certain items for discretionary labeling or small surface area, etc.</li> </ul>	○	<ul style="list-style-type: none"> <li>Implement labeling for original products of operating companies that have not labeled dietary fiber and sugars (available carbohydrates)</li> </ul>
<ul style="list-style-type: none"> <li>Food hygiene management training: Implement food allergy training</li> </ul>	<ul style="list-style-type: none"> <li>e-learning participants: 1,650</li> </ul>	○	—
(2) Thorough implementation of Business Partner Action Guidelines			
<ul style="list-style-type: none"> <li>Hold local briefing sessions. China: Four venues (March). Southeast Asia (April) (Myanmar, Cambodia, Thailand, Vietnam, Indonesia)</li> </ul>	<ul style="list-style-type: none"> <li>Business Partner Action Guidelines Briefing Results. 9 venues in total; Participants: 483 people (287 factories). China: Four venues (March). Southeast Asia: 5 venues (April)</li> </ul>	○	<ul style="list-style-type: none"> <li>Hold briefing sessions to explain Seven &amp; i Holdings Business Partner Sustainable Action Guidelines (revised in December 2019). *Held online due to COVID-19. For domestic (June). For China/Southeast Asia (August).</li> <li>Study sessions for in-house product development and procurement staff (May, June, July)</li> </ul>

Major FY2019 Targets	Results for FY2019	Evaluation	Main Plans for FY2020
<ul style="list-style-type: none"> <li>Hold compliance seminars China: April/June/August Southeast Asia: Five countries – May/July/September</li> </ul>	<ul style="list-style-type: none"> <li>Compliance seminar results Conducted 19 times in total Participants: 768 (458 factories) China: 3 venues (April), 2 venues (June), 3 venues (August) Southeast Asia: 4 venues (May), 3 venues (July), 4 venues (September)</li> </ul>	○	<ul style="list-style-type: none"> <li>Compliance seminar *Held online due to COVID-19 For domestic (August) For China and Southeast Asia (September)</li> </ul>
<ul style="list-style-type: none"> <li>Conduct CSR audits Planned for approx. 700 factories Overseas: 13 countries - 370 factories Domestic: Conduct CSR audits at 330 factories</li> </ul>	<ul style="list-style-type: none"> <li>CSR audit results Overseas: 13 countries in China and Southeast Asia 304 factories *Decreased due to conclusion of business relationships Domestic: Seven Premium, 328 factories *Approximately 25% of the total: Consider the number of employees</li> </ul>	○	<ul style="list-style-type: none"> <li>CSR audit plan Overseas: 600 factories in China and Southeast Asia Domestic: 500 factories that produce Seven Premium *May shrink due to the effects of COVID-19</li> </ul>
<b>Environmental Subcommittee</b>			
(1) Initiatives for achieving a decarbonized society			
<ul style="list-style-type: none"> <li>CO<sub>2</sub>Continue conducting third-party verifications at 12 Group companies</li> <li>Compile information on Group companies' actions for CO<sub>2</sub> emissions reduction and so on, confirm their progress, and share information to accurately evaluate and verify reduced CO<sub>2</sub> emissions</li> </ul>	<ul style="list-style-type: none"> <li>Conducted third-party verifications at 12 Group companies</li> <li>Shared CO<sub>2</sub> emission reduction actions taken by Group operating companies through environmental subcommittees, etc.</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue conducting third-party verifications at 12 Group companies to correctly evaluate and investigate initiatives for reducing CO<sub>2</sub> emissions</li> <li>Expand installation of renewable energy equipment such as solar panels</li> </ul>
(2) Initiatives for achieving a circular economy			
<ul style="list-style-type: none"> <li>Introduce environmentally friendly packaging materials for an additional 650 Seven Premium products (for a total of 2,700 products)</li> </ul>	<ul style="list-style-type: none"> <li>Used environmentally friendly packaging materials (recycled PET film) in Seven Premium Japanese delicatessen item pouches and hot pot soup pouches</li> <li>Used environmentally friendly packaging materials (biomass film) in Seven Premium bread packaging, etc.</li> </ul>	○	<ul style="list-style-type: none"> <li>Introduce environmentally friendly materials to Seven-Eleven boxed lunches and delicatessen item containers</li> <li>Reduce plastic usage by improving Seven Premium beverage containers</li> </ul>
<ul style="list-style-type: none"> <li>Develop and sell Seven Premium bottled beverages made using 100% recycled materials from the plastic bottles collected by our stores</li> </ul>	<ul style="list-style-type: none"> <li>Seven Premium Hajime Ryokucha Ichinichi Ippon used bottles made completely from recycled PET bottles collected by the Group stores</li> <li>Utilized PET bottle materials collected by the Group stores for a portion of Seven Premium Body Cooler products</li> </ul>	○	<ul style="list-style-type: none"> <li>Expand 100% recycled bottle products in the Hajime Ryokucha series</li> <li>Develop complete bottle-to-bottle PET bottle recycling products with new business partners</li> </ul>
<ul style="list-style-type: none"> <li>Begin an initiative that awards nanaco points for purchasing daily food whose sell- by date is approaching to reduce food waste</li> </ul>	<ul style="list-style-type: none"> <li>Began trials of "Ethical Project" aimed at controlling food waste generation in some areas of Seven-Eleven (Hokkaido and Shikoku)</li> </ul>	○	<ul style="list-style-type: none"> <li>Expand "Ethical Project" aimed at controlling the generation of food waste all across the nation (an initiative that awards nanaco points for purchasing daily food whose sell- by date is approaching to reduce food waste)</li> </ul>
(3) Initiatives for developing a society in harmony with nature			
<ul style="list-style-type: none"> <li>Formulate sustainable procurement policies/standards for food ingredients</li> </ul>	<ul style="list-style-type: none"> <li>Revised Basic Policy on Sustainable Procurement in October 2019</li> </ul>	○	<ul style="list-style-type: none"> <li>Expanded varieties of certified products</li> </ul>

Major FY2019 Targets	Results for FY2019	Evaluation	Main Plans for FY2020
(4) Raising employee environmental awareness			
<ul style="list-style-type: none"> <li>Have 4,000 employees pass the Certification Test for Environmental Specialists (for a cumulative total of 10,615)</li> </ul>	<ul style="list-style-type: none"> <li>Number of employees who passed: 3,064 (cumulative total: 9,579)</li> </ul>	○	<ul style="list-style-type: none"> <li>Have 650 employees pass the Certification Test for Environmental Specialists (for a cumulative total of 10,230)</li> <li>*As a measure to prevent the spread of COVID-19, the number of tests and the number of people who can take the test have decreased</li> </ul>
<b>Social Value Creation Subcommittee</b>			
(1) Promote understanding of social issues			
<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Invited social entrepreneurs to give lectures to promote an understanding of CSV and creating new businesses (attended by project development supervisors from 17 Group companies)</li> </ul>	○	<ul style="list-style-type: none"> <li>Conduct in-house education on new CSV development to develop human resources who will be responsible for investigating and creating new businesses with an eye toward the future</li> </ul>
(2) Create new CSV businesses			
<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Began efforts to create social businesses within the Group based on the theme of solving social issues</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue to operate programs that allow the acquisition of know-how for creating social businesses</li> </ul>

## 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 Data Book.

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 29, 2020, we implemented e-learning on the Antimonopoly Act (abuse of superior 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 Compliance Subcommittee, Corporate Ethics and Culture Subcommittee, Supply Chain 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, Group DX Strategy & Planning Division.
- (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 foreign residents (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 Supply Chain Subcommittee and Social Value Creation Subcommittee, Group QC Project, Information Management Committee, Security Management Office, 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 Polices Relating to Measures to Contribute to the Prevention of Global Warming, Environmental Guidelines and Environmental Rules, Fundamental Polices 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 Supply Chain 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.

## Response to TCFD Recommendations

Climate change issues are becoming increasingly serious year by year and have a major impact on people's lives on a global scale. In Japan as well, in fiscal 2019, damages of Typhoon No. 15 and No. 19 and heavy rain disasters in Chiba Prefecture affected the lives of citizens and caused serious damage to economic activities. The Seven & i Group recognizes that climate change will undermine the stable society that is essential to the sustainable development of companies, and intends to contribute to the achievement of the Paris Agreement's greenhouse gas reduction targets. GREEN CHALLENGE 2050, formulated in May 2019, identifies the reduction of CO2 emissions as one of the priorities and the Seven & i Group is examining and implementing measures to reduce CO2 emissions. As climate change worsens, the Financial Stability Board established the Task Force on Climate-related Financial Disclosures (TCFD), recognizing that climate change risks could undermine the stability of the financial system. The June 2017 TCFD Final Report encourages companies to disclose climate-related information, particularly financial information, so that investors can make appropriate investment decisions. In August 2019, the Seven & i Group announced its support for TCFD recommendations based on the belief that enhancing information disclosure is essential to building trusting relations with stakeholders. In addition, we participate in TCFD Consortium, which was established to promote joint efforts by Japanese companies and financial institutions that support TCFD recommendations, and are promoting better information disclosure and discussions with stakeholders.

Going forward, we will make use of TCFD recommendations to actively communicate our initiatives, ensure that we are trusted with our stakeholders, and strive to increase our corporate value.

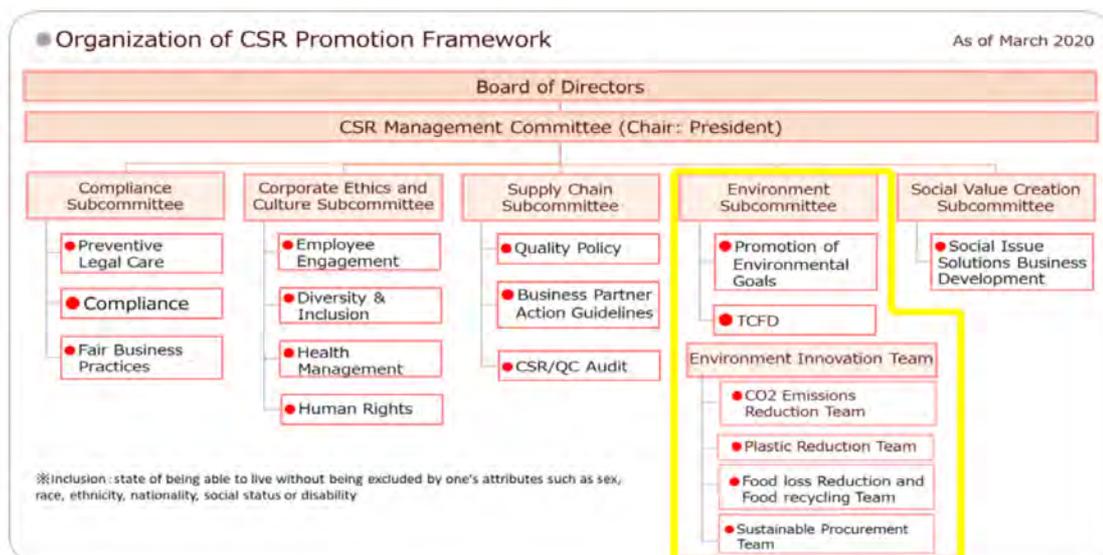


## Governance and Risk Management for Climate Change

### Governance

The Seven & i Group considers climate change issues to be one of the key issues that should be addressed across Group companies, and manages these initiatives at the CSR Management Committee chaired by the President of Seven & i Holdings. The CSR Management Committee meets twice a year, attended by CSR managers from Group companies and managers from related divisions at Seven & i Holdings. Under the CSR Management Committee, the Environment Subcommittee has been established as a subordinate organization to deal with climate change issues. The Environment Subcommittee consists of managers from the environmental departments of Group companies. In addition, when we announced the GREEN CHALLENGE 2050 in May 2019, we established CO2 Emissions Reduction Team to create innovations across the Group to reduce CO2 emissions. This team is headed by executive officers or higher from the divisions in charge of the main Group companies.

The CSR Management Committee receives reports on trends in indicators related to climate change issues, such as CO2 emissions, and on initiatives mainly for mitigation measures. The Committee approves measures implemented by the subcommittees and each company, and provides necessary advice. The progress of such sustainability-related initiatives, including those related to climate change, is reported to the Board of Directors of Seven & i Holdings at least once a year, and policies and initiatives are reviewed as necessary.



## Risk Management

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Seven & i Holdings has established, developed and operates a comprehensive risk management system centered on the Risk Management Committee, based on the Basic Risk Management Rules, in order to analyze, evaluate and respond properly to the risks of Seven & i Holdings and our Group companies. The risks related to climate change are also managed under this comprehensive risk management system.

Each group company identifies its own risks twice a year based on the group's common risk classification. In addition to quantifying risk assessments that take into account the impact and potential of risks, measures to deal with each risk are compiled into the Risk Survey Form and submitted to the Risk Management Department (Risk Management Committee Secretariat). The Risk Survey Form includes not only quantitative but also qualitative risks, such as CO2 emission regulations, business continuity risks caused by natural disasters such as recent large typhoons, and changes in production areas and fishing grounds.

The Risk Management Committee, which meets twice a year, comprehensively identifies the Group's risk situation based on the risk assessments and countermeasures submitted by each company, and monitors each company's risk management and improvement efforts from the perspective of materiality and urgency.

In principle, the status of risk management is reported once a year to the Board of Directors of Seven & i Holdings.

## Implementation of Scenario Analysis

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### Launch of Scenario Analysis

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The Seven & i Group is undertaking scenario analysis to clarify risks and opportunities created by future climate change and develop strategies to reduce the risks and to expand the opportunities. In October 2019, at the beginning of scinerio analysis, we participated in the "Project to Support Climate Risk/Opportunity Scenario Analysis in Accordance with TCFD" of the Ministry of the Environment.

We recognize that scenario analysis should cover the entire Group, including the supply chain. However, in this analysis, we have limited scenarios and scope and conducted trial analysis. The 2°C and 4°C scenarios were adopted as the scenarios. The analysis covered the store management of Seven-Eleven Japan, which accounts for about 60% of the Group's operating profit.

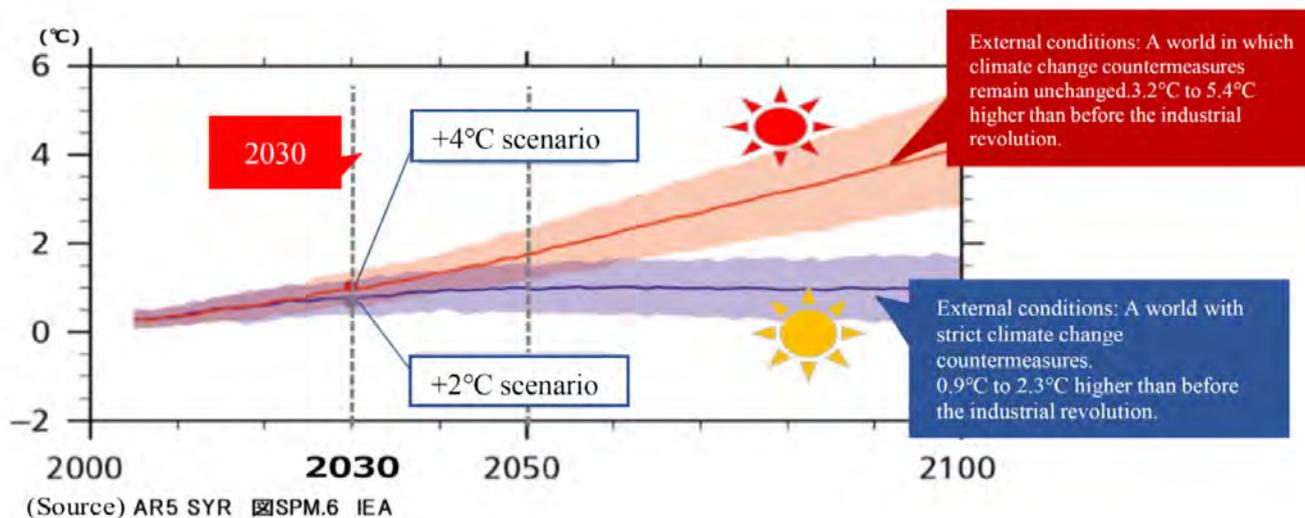
#### ■ Scope of Analysis

Scenario	2°C and 4°C scenarios
Relevant project	Operation of Seven-Eleven Japan stores in Japan
Period covered	FY 2030

## Definition of Scenarios

The following is an examination of the environment surrounding Seven-Eleven Japan's store operations in the 2°C and 4°C scenarios as of 2030. Significant differences between the two in 2030 are seen mainly in the risk of transition due to their differences in climate change measures. In the world of + 2°C, regulations for greenhouse gas reduction will be strengthened, and the transition risk will increase due to the progress of low and decarbonization. On the other hand, in a world of + 4°C, while the impact of regulatory and other transitional risks is small, physical risks such as extreme weather are expected to increase.

### Two Future Scenarios



### Environment Surroundings Seven-Eleven Stores

	+ 2°C world	+ 4°C world
Characteristics	<ul style="list-style-type: none"> <li>Significant impact of transition risk</li> <li>Despite an increase in the impact of physical risk, impact is small to medium</li> </ul>	<ul style="list-style-type: none"> <li>Significant impact of physical risk</li> <li>Although the impact of the regulatory transition risk is small Changes in customer preferences (reputation risk) emerge</li> </ul>
Policy	<ul style="list-style-type: none"> <li>Introduction of carbon tax</li> <li>Promotion of energy conservation and renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>Climate change countermeasures remain unchanged</li> <li>A carbon tax is not introduced</li> </ul>
Electricity Price	<ul style="list-style-type: none"> <li>Price rises throughout the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Decrease</li> </ul>
Renewable Energy	<ul style="list-style-type: none"> <li>Widely used</li> </ul>	<ul style="list-style-type: none"> <li>Partly used</li> </ul>
Production Site	<ul style="list-style-type: none"> <li>Decrease in yield and quality of some agricultural products</li> <li>Increased in prices of some raw materials</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in yield and quality of agricultural products</li> <li>Increased in prices of raw materials</li> </ul>
Logistics and Store	<ul style="list-style-type: none"> <li>Delays and disruptions in logistics and damage to stores caused by heavy rain are limited but higher than now.</li> </ul>	<ul style="list-style-type: none"> <li>Delays and disruptions in logistics increase</li> <li>Damages caused by heavy rain to stores increase</li> </ul>
Consumers' Change	<ul style="list-style-type: none"> <li>Interest in low-carbon and non-carbon products is increasing</li> <li>Establishment of sustainable lifestyles</li> </ul>	<ul style="list-style-type: none"> <li>Interest in low-carbon and non-carbon products is increasing</li> <li>Interest in disaster prevention and stockpiling is increasing</li> </ul>

## Identification of Significant Risks/Opportunities and Assessment of Impacts

In evaluating the business impact, we first identified the risks and opportunities that are closely related to the operation of Seven-Eleven stores. We then identified five of the most significant risks and opportunities that could have an impact: carbon prices, carbon emissions targets and policies in each country, changes in consumer reputation, extreme weather, and changes in precipitation and weather patterns.

As this is the first analysis, in the impact assessment, we selected the specific examples related to the above five significant risks and opportunities for which objective forecast data can be obtained as much as possible, and evaluated them from both quantitative and qualitative perspectives. The results were as follows.

### Summary and Results of Business Impact Assessment in 2030

Significant Risks and Opportunities		Concrete Examples	Business Impacts		
			+ 2°C world	+ 4°C world	
Operational Risks and Opportunities	Policies and Measures Regulation	Carbon Price	Carbon Price	<ul style="list-style-type: none"> <li>Evaluated from CO2 emissions and assumed carbon prices. Introduction of carbon prices increases spending.</li> <li>The cost of production will increase and the cost of procurement will also increase throughout the supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>Carbon prices are not expected to be introduced.</li> </ul>
		Carbon Emission Targets and Policies of Each Country	Electricity Expenses	<ul style="list-style-type: none"> <li>Evaluated based on the amount of electricity used and the estimated electricity price. An increase in electricity costs increases expenditure.</li> <li>The cost of production will increase and the cost of procurement will also increase throughout the supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>Evaluated based on the amount of electricity used and the estimated electricity price. Lower electricity costs reduce spending.</li> </ul>
	Reputation	Changes in Consumer Reputation	For Sustainable Products Sales EV Charge Service Expansion	<ul style="list-style-type: none"> <li>Sales increase due to product development tailored to sustainable consumer lifestyles.</li> <li>In line with the spread of EV, sales increase by expanding recharging services.</li> </ul>	<ul style="list-style-type: none"> <li>Increased extreme weather conditions raises consumers awareness of companies, increase interest in sustainable products, and increase sales.</li> <li>Although the spread of EV is limited compared to the world of + 2°C, sales are expected to increase by expanding the recharging service.</li> </ul>
Physical Risks and Opportunities	Acute	Insurance Cost	Insurance Cost	<ul style="list-style-type: none"> <li>Even with limited impacts, increases in natural disasters lead to higher premiums and higher expenditures.</li> </ul>	<ul style="list-style-type: none"> <li>Depending on the occurrence of natural disasters, there are concerns that insurance mechanisms themselves may become dysfunctional</li> </ul>
		Extreme Weather	Loss on Sales by Suspension of Store Operation (Operating Income)	<ul style="list-style-type: none"> <li>Estimated based on projected increase in natural disasters and operating profit per store. Even if the impact is limited, the days of suspension will increase and sales will decrease.</li> </ul>	<ul style="list-style-type: none"> <li>Estimated based on projected increase in natural disasters and operating profit per store. Sales decline as the days of suspension increases.</li> <li>Depending on the scale and frequency of natural disasters, it may take longer to recover, and there are concerns that the prolonged suspension of operations will lead to an increase in sales losses.</li> </ul>
	Chronic	Changes in Precipitation and Weather Patterns	For Raw Materials (rice) in Yields Change Increase in Air conditioning Load	<ul style="list-style-type: none"> <li>The company evaluates domestic rice, which is one of the important raw materials among its wide variety of products. Declining yields reduce sales.</li> <li>The increase in air conditioning load due to the increase in average temperature is evaluated. Increased burden increases expenditure, although the impact is limited.</li> </ul>	<ul style="list-style-type: none"> <li>The company evaluates domestic rice, which is one of the important raw materials among its wide variety of products. Declining yields reduce sales.</li> <li>The increase in air conditioning load due to the increase in average temperature is evaluated. Increased burden increases expenditure.</li> </ul>

## Consideration of Countermeasures and Indicators/Targets

In May 2019, the Seven & i Group announced its GREEN CHALLENGE 2050. In GREEN CHALLENGE 2050, we have set four specific goals: Reduction of CO2 emissions, Measures against plastic, Measures against food loss and for food recycling, and Sustainable procurement. The goals are to achieve a decarbonizing society, Circular Economy and society in harmony with nature. Our specific numerical targets for reducing CO2 emissions are to reduce CO2 emissions from store operations by 30% by 2030 compared to 2013, and to net-zero by 2050.

Since this business impact assessment was limited to some specific examples, it is not possible to comprehensively determine the impact of climate change. However, we believe that promoting the ongoing disaster response and GREEN CHALLENGE 2050 initiatives will reduce the risks and expand the opportunities.

For example, to cope with the risk of rising carbon prices and electricity costs, one possible response is to expand the use of energy conservation and renewable energy, which leads to reduced CO2 emissions. Regarding to the risk of procuring raw materials, we believed that promoting the sharing of information on producing areas and the joint development of producing areas within the Group will lead to a reduction in the risk of procuring as we are promoting our measures of GREEN CHALLENGE 2050 for sustainable procurement.

Furthermore, in response to the increase in disasters such as extreme weather conditions, we will expand our role as an infrastructure for disasters through ongoing collaboration with local governments.

## Future Responses to TCFD Recommendations

In line with TCFD recommendations, we have begun to analyze scenarios and disclose information. However, the scope of scenario analysis is limited and only a few risks/opportunities are quantified. In the future, we will need to quantify risks and opportunities throughout the supply chain and gather information on changes in consumer reputation. Society's concerns and expectations regarding corporate measures against climate change are expected to increase as disasters due to extreme weather conditions increasing and become more severe. We will improve the accuracy of our scenario analysis in order to be a company that can sustainably develop even under the influence of climate change, including the 2°C and 4°C scenarios. First, by expanding and quantifying the scope of our analysis, we will strive to grasp the more accurate financial impact and plan strategic countermeasures. We will also meet the concerns and expectations of our stakeholders by disclosing the results.

# 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

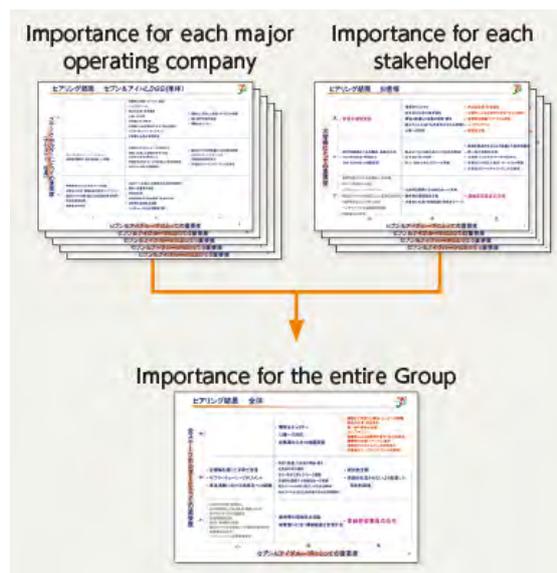
An interview survey in a questionnaire format was conducted with customers, business partners, shareholders and investors, and employees to understand the future expectations and demands of all stakeholders for the Group for the identified social issues. An assessment was made of how much of a priority 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"> <li>Improving product safety</li> <li>Securely protecting personal information, etc.</li> </ul>
Business partners	Main business partners of major operating companies	<ul style="list-style-type: none"> <li>Further improvement of reliability throughout the entire value chain through shopping assistance for people who feel inconvenient for shopping</li> <li>Continuing support for disaster areas, etc.</li> </ul>
Shareholders and investors	Retail industry analysts	<ul style="list-style-type: none"> <li>Responding to disposal loss</li> <li>Supporting the needs of elderly people</li> </ul>
Employees	Executives and employees of major Group companies	<ul style="list-style-type: none"> <li>Responding to population aging throughout the entire Group</li> <li>Pursuing further quality and safety, etc.</li> </ul>

## 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.

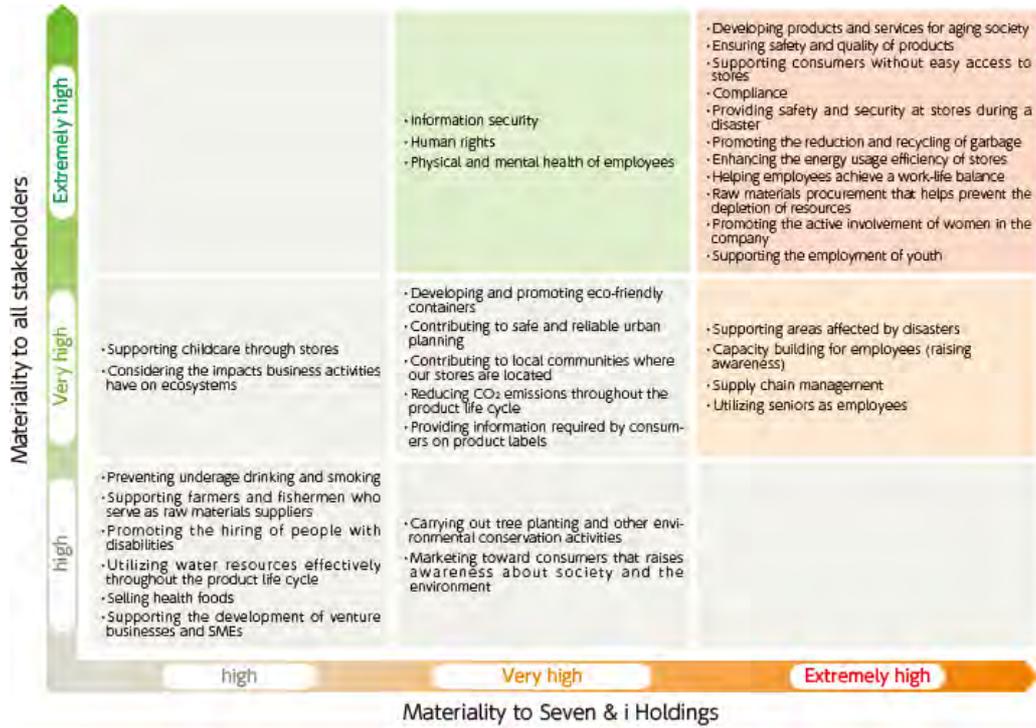


## STEP 4 Dialogue with experts

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 responding to changes in society—the increase in the employment rates of women and the elderly due to the reduction in working population arising from a declining birthrate and aging society, diversification of purchasing methods due to the advancement of a digital society, and the reduction of social bases following a declining population—and working to enhance the convenience of shopping while leveraging the unique aspects of the Group's business as a social infrastructure with a network of approximately 22,500 stores nationwide in Japan. We recognize that fulfilling these diverse needs of our customers is one of our most significant and unwavering roles in society and we will continue to satisfy the customer's needs.

### Background to Material Issues

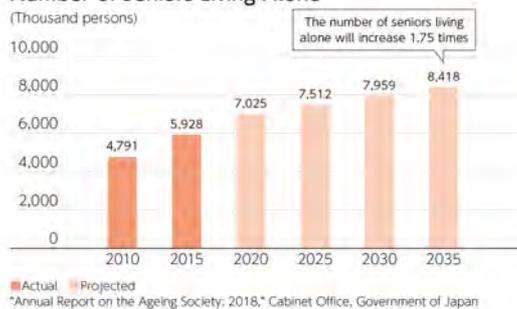
#### Changes in Shopping and Other Services Due to the Hollowing Out of Social Bases Following Aging Society, Declining Population, and the Advancement of the Digital Society

Japan is experiencing an aging society and declining population trends. By the year 2060, the national 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 1.75 times from the level in 2010 by 2035. The hollowing out of social infrastructures to support daily life following the declining population also stands as one of the 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 2030.

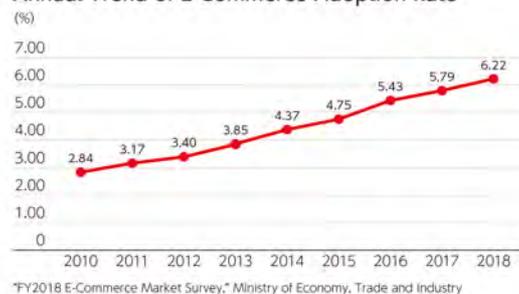
At the same time, due to the spread of digital devices and the establishment of communication infrastructure, customers' shopping habits and required services are also changing, such as in the methods for placing orders, payment, and picking up orders.

\* Source: "Population Projections for Japan (2017)," National Institute of Population and Social Security Research

Number of Seniors Living Alone



Annual Trend of E-Commerce Adoption Rate



### 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 Director and Managing Executive Officer Head of the Corporate Development Division, Seven and i Holdings.

## 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 with limited access to shopping facilities.

[> More](#)

### Reducing Housework

We are developing and selling cooked meal products for those who find it a burden to prepare meals. They are based on the concept of individual servings, small portions, and easy-to-preparing.

[> 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 infrastructures.

[> 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 is working to support people who feel inconvenience when shopping by utilizing the infrastructure it has developed, such as store networks and logistics and information systems, to create new services for shopping support.



### Online Supermarkets

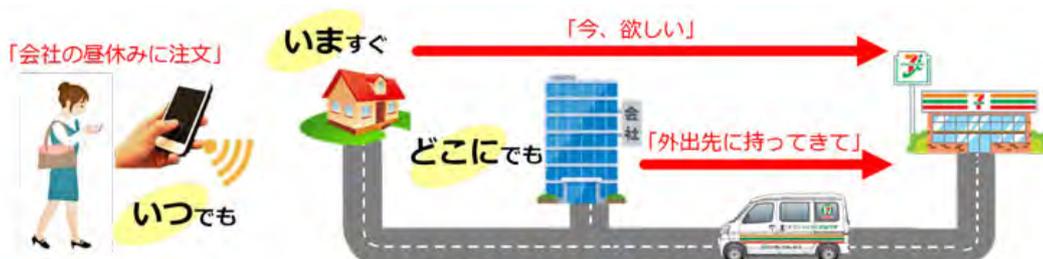
Ito-Yokado operates online supermarkets (Net Super) at 122 stores (as of February 29, 2020) to provide scheduled deliveries of products ordered by customers using PCs or smartphones. The online supermarkets deliver food and household goods from nearby stores. In December 2014, Ito-Yokado started offering a service to help parents raising children. With this service, parents who present their maternity notebook issued within the last four years and register for the Net Super can receive deliveries at a fee of only ¥102 (including tax) for four years from the registration date. Furthermore, to meet the diversifying pick-up needs of customers as well as improve customer convenience and delivery efficiency, it is also enhancing its non-contact delivery and drop-off services. Starting from March 2020, it has installed lockers—the first in Japan—that are capable of temperature ranges for refrigeration, freezing, and room temperature at two 7-Eleven stores in Tokyo. Using these lockers, it has launched the 7&i Locker Pick-up service for customers to pick up their orders.



Net Super

### Online Convenience Stores

Seven-Eleven Japan 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. As of February 2020, trials are being conducted at approximately 270 stores in cities such as Sapporo, Otaru, and Hiroshima. Going forward, there are plans to further expand this service.



## Home Delivery Services of Seven RakuRaku Delivery

Seven-Eleven Japan 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. As of February 29, 2020, the service operates a fleet of some 757 "COMS" ultra-small electric vehicles and Seven-Eleven Japan is also moving forward with the introduction of around 1,180 power assisted bicycles.



Seven RakuRaku Delivery

## Mobile Store Services "Seven Anshin Delivery" and "Ito-Yokado Anshin Delivery"

As of February 29, 2020, Seven-Eleven Japan operates the Seven Anshin Delivery mobile store service at 102 stores in 37 prefectures. 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.

As of February 29, 2020, Ito-Yokado also uses its own specially developed trucks equipped with store facilities to provide the Ito-Yokado Anshin Delivery mobile store service at four stores in five regions: Nagano Prefecture's Ueda region, Tama City, Hachioji City, Hanamaki City, and Iwaki City. In addition, from April 30, 2020, the operation of Ito-Yokado Tokushimaru Vehicle Number 1 in collaboration with TOKUSHIMARU inc. was started at Ito-Yokado Minami Osawa store. TOKUSHIMARU supports customers who feel inconvenience when shopping through its mobile supermarket initiative, and at the same time, undertakes businesses related to neighborhood watch activities for the elderly while collaborating with local communities.



Seven Anshin Delivery



Ito-Yokado Anshin Delivery



Ito-Yokado Tokushimaru

## Omni7

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Seven & i Holdings 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, labor 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.



Store Pick-up Service at 7-Eleven

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

### Reducing Housework

In order to respond to customer demand for saving time and reducing the hassle of housework, Seven & i Holdings is developing and selling cooked meal products for those who feel it a burden to prepare meals. These products are based on the concept of individual servings, small portions, and easy-to-preparing.



### Seven-Meal Delivery Service

Seven-Eleven Japan 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 Seven-Eleven Japan 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. Customers can order the kits 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.

Besides, Ito-Yokado sells the Chef's RECIPE series, which can be easily prepared using a frying pan or microwave oven, at the fresh meat and fish sales sections (Tokyo Metropolitan area, northern Kanto area, and Shizuoka prefecture). The selection for cooking with a frying pan\* offers meat and fish that have been cut and seasoned. These meals can be easily cooked with a frying pan in a short time. Customers can also cook them in considering nutritional balance, such as frying them with different vegetables of one's preference. The frozen delicatessen series Frozen Deli, which is convenient for customers when they are busy, is also available at the delicatessen sales section.

\* The menu changes according to the seasons.



A Meal Kit from Seven-Meal



Omelet Rice from Frozen Deli

## 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 “watch over 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 Dementia 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 Comprehensive Alliance Agreements with Local Governments for Each Company

	As of February 28, 2018	As of February 28, 2019	As of February 29, 2020
Seven-Eleven Japan	91	140	184
Ito-Yokado	42	63	66
York-Benimaru	8	13	13
York Mart	2	4	4
Sogo & Seibu	9	13	13
Seven & i Food Systems	1	1	3
<b>Total</b>	<b>153</b>	<b>234</b>	<b>283</b>

> [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. Seven-Eleven Japan recognizes the importance of local flavors and food cultures by developing products that use local ingredients. Ito-Yokado, 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 participated in 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—and sold three types of bread.



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



"Flavors Presented by Students of Aomori Chuo Junior College! Jomon Prehistoric Sites Registration Support Bento"  
sold at Ito-Yokado stores in Aomori Prefecture



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



Participated in "Yachipan Project" with two York Mart stores  
in Chiba Prefecture's Yachiyo City

## Government Services (Issuance of Various Certificates)

Seven-Eleven Japan's 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 717 municipalities (as of February 29, 2020). This service is currently being expanded, as family register certificates can now be issued for 494 municipalities and tax certificates for 503. (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

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Seven-Eleven Japan's 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. Starting from June 2020, cancer insurance is being sold at all 7-Eleven stores.



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

## Bicycle Sharing

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Seven-Eleven Japan 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 Seven-Eleven Japan has placed some 3,700 bicycles at 630 stores in the Tokyo Metropolitan region and regional cities during FY2019. 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 can play an important role as infrastructure.



A store with a bicycle sharing site

## Establishment of Polling Stations in Stores

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Ito-Yokado 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, 2019, polling booths were set up in 25 Ito-Yokado stores and 4 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 foreign residents whose numbers are increasing yearly.



### Training Dementia Supporters

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

Each Group company holds training courses, and the number of the supporters across the 26 Group companies\* as of February 29, 2020, is 37,550 in total. We will continue to strengthen our efforts to develop “dementia supporters.”

\* 26 Group companies are working on this initiative (accounting for 98% of Group sales in Japan).

#### Number of Dementia Supporter Training Course Takers

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020 (Target)
Cumulative participants	16,554	24,029	29,623	34,110	37,550	40,000



Dementia supporter training

## Marketing Products That Support Senior Lifestyles

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Ito-Yokado is developing the Anshin Support Shop at 104 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 29, 2020). Sales are conducted by sales staff with specialized qualifications as counselors specialized in welfare equipment who are also able to deal with consultations regarding nursing care and welfare issues in general (305 counselors as of February 2020). In addition, Ito-Yokado is working to develop products in response to customer opinions and comments, such as a pushcart for seniors known as the “Silver Car” that can easily be pushed over uneven surfaces and a reliable walking stick with its shaft that is approximately 1.3 times thicker than usual to give a sense of stability. They have been well received by customers.

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



Reliable walking stick

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

## Disseminating Information to Support Everyday Living for Foreigners

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Seven Bank provides an overseas remittance app available in nine languages for customers who make use of overseas remittance services. In 2016, it started concluding agreements such as 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 to help customers live safely and conveniently in Japan. As of March 31, 2020, we have concluded agreements with 13 local government organizations.

## ATMs that Diverse Customers Can Operate Easily

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Seven Bank is making daily progress on the ATM functions and services so that all customers can use them with confidence. With its voice guidance service, which is mainly for customers with visual disabilities, users can make a transaction by following voice instructions 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 use this service. The system of voice guidance was developed after soliciting feedback from people with visual disabilities and testing its operability. Furthermore, ATMs in 7-Eleven stores are installed with 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 finance institutions except for the above, such as insurance companies and 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 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

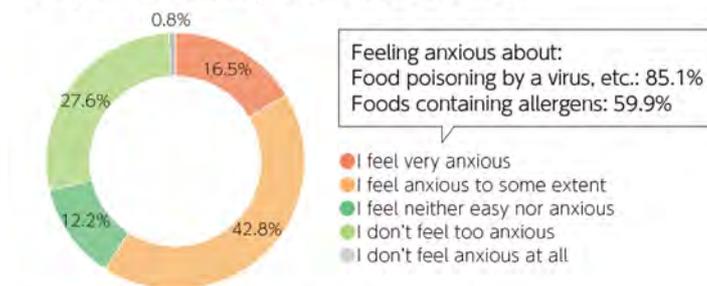
[> Quality Policy](#)

### 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.

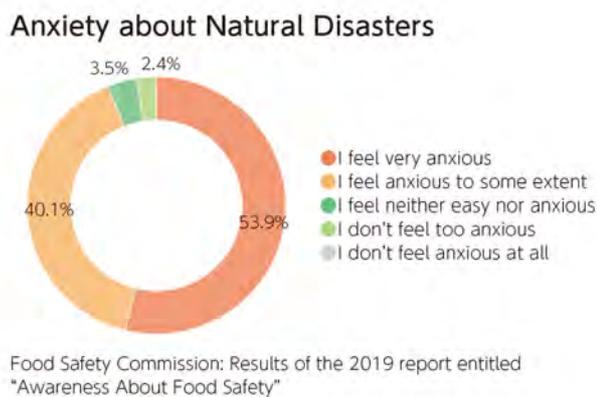
#### Degree of Anxiety about Food Safety



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.

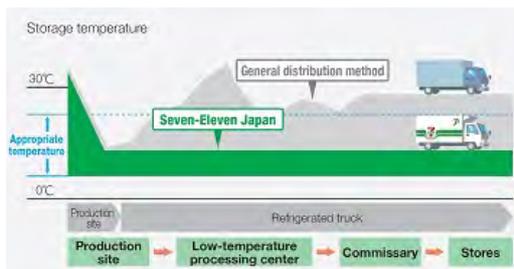
- Ito-Yokado received the Minister of Economy, Trade and Industry PS Award in 2011, 2013, and 2015.
- Ito-Yokado was certified as a gold product safety company in 2015.



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 \(in Japanese\)](#)

## 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

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)

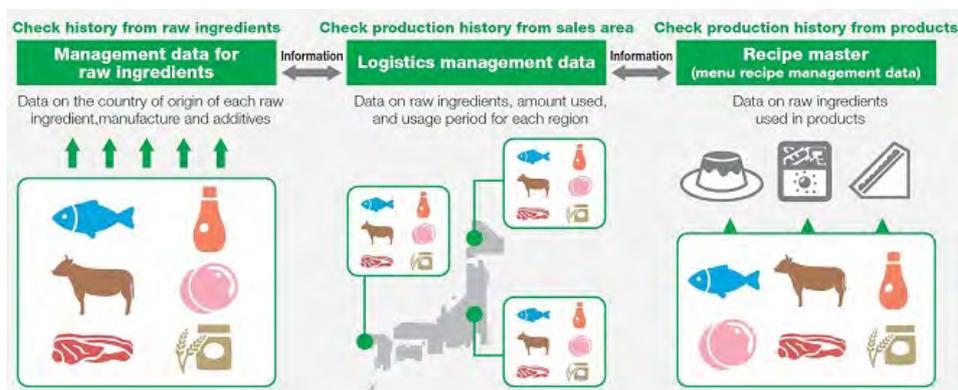


## Centralized Management of Production Records

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



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

### 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 \(in Japanese\) !\[\]\(192f21482edbe088069e1d0e4eb937fe\_img.jpg\)](#)

[> For more details about Denny's initiatives \(in Japanese\) !\[\]\(7817a33ddd47907eb851844d5c033e61\_img.jpg\)](#)

## 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).

## 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 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

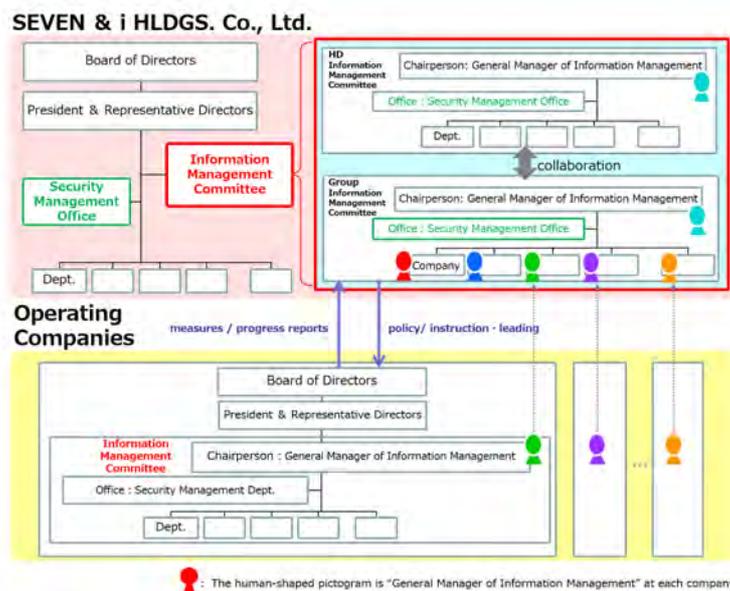
Seven & i Holdings positions the appropriate protection and security of information assets handled by the Group as an important priority and social responsibility of its management and operations and as mandatory for all executives and employees. We strictly manage personal information received from 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.

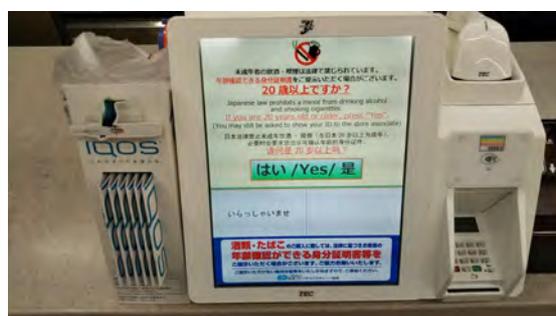
7-Eleven stores put up posters stating "Age verification is being conducted" near the checkout counters selling alcoholic beverages and tobacco and verify the age of purchasers who seem under 20 and 20s with their identification card. Besides, in cooperation with the Japan Franchise Association, Seven-Eleven 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.



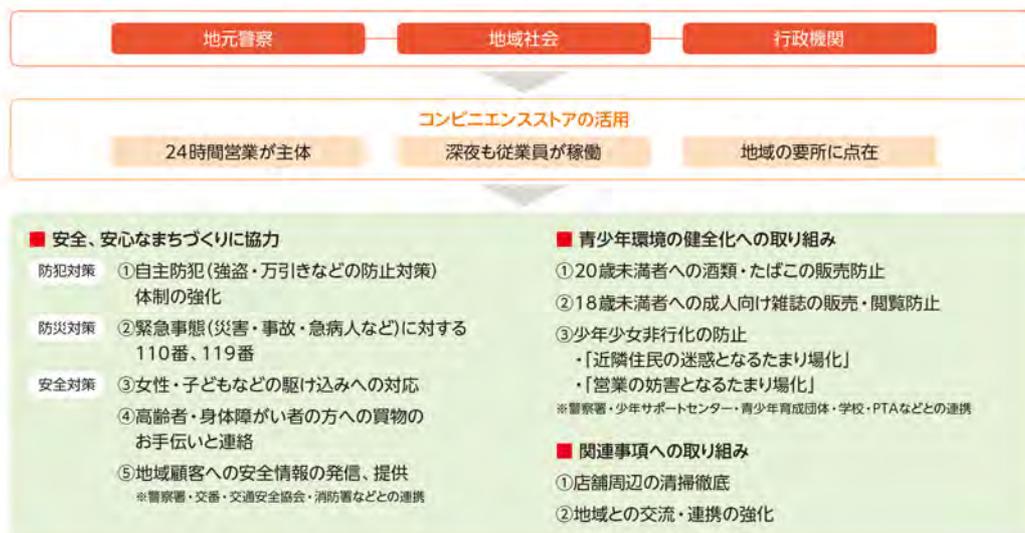
Activities are publicized using posters



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](#)



## 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

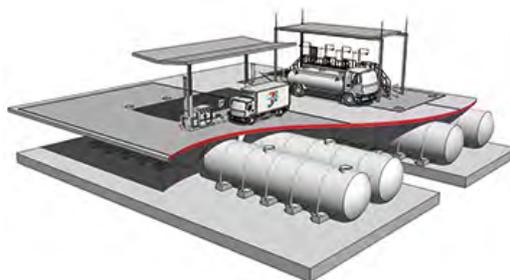
\*2. Disaster Information Sharing System

## 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 \(in Japanese\)](#) 

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

### Approach to Material Issues

The Seven & i Group operates around 22,500 primarily retail stores throughout Japan and has grown to be used by approximately 25 million customers each day. In order to prevent the development of these businesses from increasing the negative impact on the environment, we are working with various stakeholders in the value chain to reduce CO<sub>2</sub> emissions caused by energy consumption, reduce waste, and promote recycling, among other efforts. In May 2019, we announced the “GREEN CHALLENGE 2050” Environmental Declaration, in which we establish Seven & i Group’s ideal society as one that is decarbonized, has a circular economy, and is in harmony with nature. We established goals for 2030 and 2050 related to CO<sub>2</sub> emission reduction, plastic countermeasures, food loss and waste / organic waste recycling countermeasures, and sustainable procurement. We believe that reducing waste of energy, resources, and raw materials to achieve our goals will lead to cost reductions.

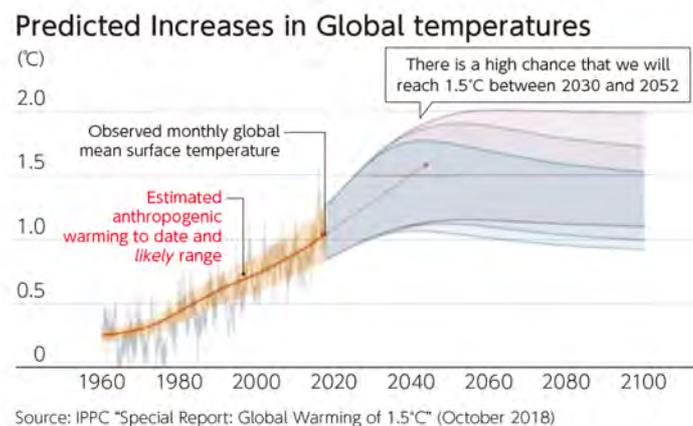
#### Relevant Policies

- > [Environmental Guidelines / Environmental Rules](#)
- > [“GREEN CHALLENGE 2050” Environmental Declaration](#)
- > [Business Partner Sustainable Action Guidelines](#)

### Background to Material Issues

#### Climate Change

Climate change is a serious threat that will affect future generations through rising sea levels, erratic weather, impacts on the agriculture and fishing industries, and more. According to the “Special Report: Global Warming of 1.5°C” released by the IPCC (Intergovernmental Panel on Climate Change) in 2018, the average temperature has risen by about 1.0°C compared to before the Industrial Revolution, and it is said that CO<sub>2</sub> emissions must be reduced to net zero by 2050 to keep the temperature rise at 1.5°C.



## Food Loss and Waste

Throughout the world, one in nine people suffers from malnutrition, while in Japan, 25.5 million tons of food is wasted every year. Of this, the amount of food loss and waste—edible food that is discarded—is 6.12 million tons, which is equivalent to every person throwing away a bowl of rice every day.

### Amount of Food Loss and Waste



Source: Ministry of Agriculture, Forestry and Fisheries. (2020) "The State of Food Loss/Waste and Recycling."

## Resource Circulation

Plastics, which are highly convenient, are used in various situations in our lives, and over 8.3 billion tons\* of plastic have been produced since 1950. Meanwhile, 9% of plastic is recycled and 79% is sent to landfills or disposed of in nature. At this rate, it is estimated that 12 billion tons of plastic will be sent to landfills or disposed of in nature by 2050, and there are reports that the amount of plastic in the ocean exceeds the amount of fish\*. The issue facing us is to build a recycling-oriented economic society that makes effective use of existing resources without waste.

\*From *Plastics Smart*, Ministry of the Environment, "The State of Plastic in Japan and Overseas <4th collection of reference materials>" (in Japanese)

## Promotional Framework for Material Issues

In response to this material issue, the Environment Subcommittee (Subcommittee chair: Seven & i Holdings Executive Officer, Senior Officer of the Sustainability Development Department) is established under the CSR Management Committee, which is under the supervision of the Seven & i Holdings Director and Managing Executive Officer Head of the Corporate Development Division works together with the Group companies and related departments to promote initiatives.

The Environment Subcommittee comprises the supervisors of the Environment Departments in operating companies. Additionally, we have formed cross-Group Innovation Teams led by the leaders (executive officers and higher) from responsible departments at our main operating companies in order to achieve our "GREEN CHALLENGE 2050" Environmental Declaration and generate innovation throughout the Group.

## 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 CO<sub>2</sub> emissions and waste of food products, and so forth.



## Seven & i Holdings' Initiatives

### Environmental Management

Through the Seven & i Holdings Environment Subcommittee and other meeting committees, Group companies share information among one another, and initiatives are being promoted to achieve the "GREEN CHALLENGE 2050" Environmental Declaration. Group operating companies are also creating management systems appropriate for their lines of business.

[> More](#)

### Climate Change Measures

As we are aware that the issue of climate change is a threat to the sustainable development of society and companies, we are promoting initiatives with the aim of creating a decarbonized society. We are thoroughly managing risks and promoting energy saving and expanding the use of renewable energy to achieve the targets of the "GREEN CHALLENGE 2050" Environmental Declaration.

[> More](#)

### Supply Chain Management (Environment)

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

[> More](#)

### Measures against Food Loss and Waste and for Organic Waste Recycling

As a company in which food accounts for 60% of its sales, we are working on food loss and waste reduction and promotion of organic waste recycling, which we have established as one of our key themes through "GREEN CHALLENGE 2050."

[> More](#)

### Effective Use of Resources

Toward an ideal society with a circular economy that makes effective use of resources, we will cooperate with our customers and business partners to reduce waste, promote collection of recycling resources at stores, and utilize recycled materials.

[> 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

As for promoting our environmental activities, we value communication with our various stakeholders, including our customers. We are also making efforts to raise awareness among our employees.

[> More](#)

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

### Environmental Management

The Seven & i Group is actively working to reduce its environmental impact in order to contribute to the creation of a sustainable society and leave a prosperous planet to future generations. In May 2019, we announced the “GREEN CHALLENGE 2050” Environmental Declaration, which sets out our vision for society and our goals for 2030 and 2050.

We are promoting initiatives through the Seven & i Holdings Environment Subcommittee, which is attended by the supervisors of the Environment Divisions in our Group companies, and the Innovation Teams established for each GREEN CHALLENGE 2050 initiative theme. In addition, each Group company has an environmental management system in place appropriate for its line of business.



### 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, Seven-Eleven Japan 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), Seven-Eleven Japan shares information on examples of initiatives that have substantial energy-saving effects at biannual NDF nationwide CSR promotion conferences. Seven-Eleven Japan also confirms the need to create a system that can respond to a variety of environmental issues including compliance, continuing energy-saving measures, reducing CO2 emissions, and reducing food loss and waste. Based on the results confirmed above, Seven-Eleven Japan declared that it will utilize an environmental management system, and with regard to the acquisition of Eco Action 21, established by the Ministry of the Environment, it is taking proactive measures such as holding briefings. In addition to the acquisition of environmental management system certification, with a focus on Eco Action 21, at 56 plants belonging to 24 companies that produce chilled food, when manufacturers and plants that have begun making efforts toward acquiring certification are included, the total rises to 130 plants belonging to 38 companies (as of February 29, 2020).

## Third-Party Audit of CO<sub>2</sub> 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 CO<sub>2</sub> emissions from store operations. In 2020, audits of 12 companies\*<sup>1</sup> were conducted. The sales of the 12 companies covered about 97% of the Group's total sales. The CO<sub>2</sub> emissions from store operations of the 12 companies in the fiscal year ended February 29, 2020 were 122,391 tons for Scope 1, and 2,853,560 tons for Scope 2. Moreover, by undergoing a third-party audit of the data for the Category 1\*<sup>2</sup> emissions of Seven-Eleven Japan, which accounted for about half (10,049,038 tons) of the Scope 3 emissions, we improved the accuracy and reliability of the quantitative data internally and externally.

\*1 The 12 companies are: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York Mart, SHELL GARDEN, Life Foods, IY Foods, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Food Systems, and 7- Eleven, Inc.

\*2 The CO<sub>2</sub> emissions associated with "purchased products and services" (procurement of raw materials, outsourcing of packaging, procurement of consumables, etc.) from among the 15 categories of Scope 3.



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 29, 2020, water usage in conjunction with store operation was 23,606,000 m<sup>3</sup>\*, a decrease of 4.8% compared to the fiscal year ended February 28, 2019.

\* Nine companies included: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York Mart, SHELL GARDEN, Sogo & Seibu, Akachan Honpo, THE LOFT, and Seven & i Food Systems

	FY 2017	FY 2018	FY 2019
Water consumption (1,000m <sup>3</sup> )	24,551	24,809	23,606
Water consumption per million yen in sales (m <sup>3</sup> /million yen)	3.4	3.3	3.1

## Management of CFCs

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At the Seven & i Group's 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 Seven-Eleven Japan, refrigeration devices that utilize CO2 refrigerants have been introduced on a trial basis at 199 stores (as of February 29, 2020), and we are also trialing them at 5 Ito-Yokado stores.

## Management of Paper

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At 7-Eleven stores, Seven-Eleven Japan is making progress toward going paperless for accounting forms and has been expanding this effort to all stores since June 2019. This initiative has allowed it to reduce the amount of paper used annually at each store by approx. 3,000 sheets, which helps to reduce the negative impact on the environment.

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

### Climate Change Countermeasures

The Seven & i Group recognizes that the issue of climate change harms the stable society that is essential for the sustainable development of companies. We would like to contribute in achieving greenhouse gas reduction targets set forth in the Paris Agreement. In the "GREEN CHALLENGE 2050" Environmental Declaration formulated in May 2019, we established the decarbonized society as the ideal we should be aiming for. We are promoting energy conservation and the expanded use of renewable energy, with the goal of reducing CO2 emissions generated from store operations by 30% compared to FY2013 by FY2030, and net-zero by 2050.

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



### 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 behavioral risk, in which changes in consumer purchasing behavior due to the climate and response to weather fluctuations, and reputation risks, in which companies judged by climate change prevention/mitigation/adaptation management. 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 its growth.

Seven & i Holdings, in order to properly analyze and evaluate, and appropriately respond to risks associated with the Group and each business, in accordance with its "basic rules for risk management," establishes, maintains, and utilizes comprehensive risk management systems. Risks posed by climate change are managed under this comprehensive risk management system as well.

Twice each year, each Group company identifies risks affecting that company based on the shared Group risk categories. Companies quantify risk assessments based on the degree of impact and the likelihood of occurrence of each risk, organize countermeasures for each risk in a risk assessment table, and submit the table to their Risk Department (Risk Management Committee Office). The risk assessment table should include not only quantitative but also qualitative risks, such as CO2 emission regulations, business continuity risks due to recent large-scale typhoons, and changes in growing regions and fishing grounds for product raw materials.

The Risk Management Committee meets twice annually 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.

In principle, the status of risk management is reported to the Seven & i Holdings Board of Directors once annually.

[> Response to TCFD Recommendations](#)

## 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 affected by climate change.

The "Seven Farm" environmental recycling-oriented agriculture initiative of Ito-Yokado buys the entire quantity of harvested produce, including imperfect shape/size 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 12 places throughout Japan, covering approximately 290 ha in total. (As of February 28, 2020).

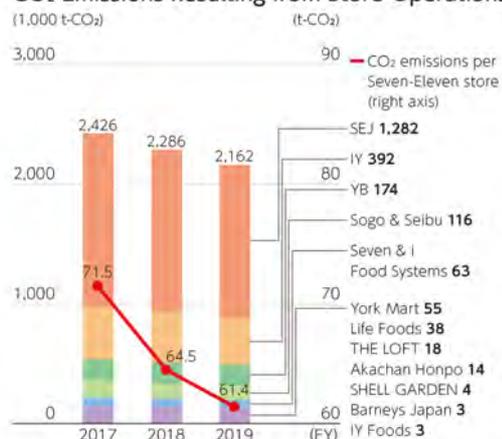
In addition, Seven & i Holdings is establishing systems to prepare for disasters associated with sudden weather phenomena, such as the numerous incidents of heavy rain and landslides that have occurred recently in Japan. For example, we have distributed booklets to regular employees summarizing how to 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 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.

## Reduction Targets for CO<sub>2</sub> Emissions

Approximately 90% of the CO<sub>2</sub> emissions by each Seven & i Group company are from the energy use for store operations. For this reason, we set a target of reducing CO<sub>2</sub> emissions from store operations of the 12 operating companies in Japan to net-zero by FY2050 so that CO<sub>2</sub> emissions may not increase in conjunction with the expansion of business and increases in the number of stores.

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



\* The numbers above the bar graphs are the combined totals for the following 12 companies: SEJ, IY, YB, York Mart, SHELL GARDEN, Life Foods, IY Foods, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Food Systems, and Barneys Japan.

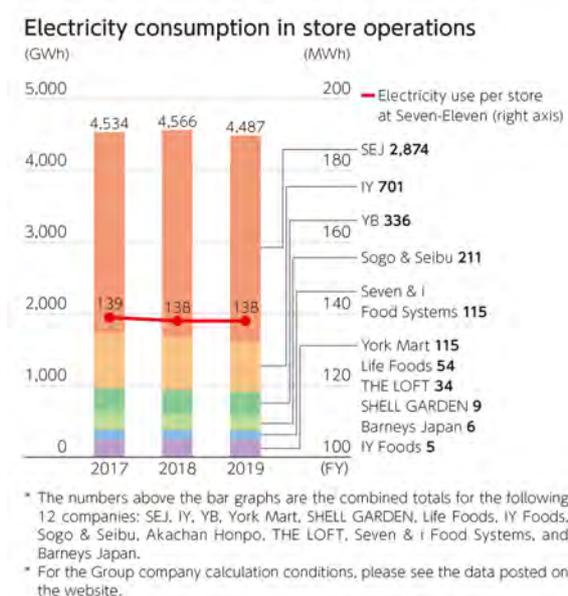
\* For the Group company calculation conditions, please see the data posted on the website.

> [Details of CO<sub>2</sub> emissions amount data can be found here](#)

## Promoting Installations 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 8,073 stores (as of February 29, 2020). At Ito-Yokado as well, to reduce the load on the environment from store operations, LED lighting has been installed at almost all stores (166 stores), and solar panels have been installed at 13 stores (as of February 29, 2020). In February 2020, York Mart installed a solar panel in one store. We are also switching to reach-in refrigerated and freezing cases equipped with doors that do not allow cold air to escape.



LED lights



Solar panels

### Main investments in environmental equipment—cost and effect (FY2019)\*

Environmental investment (million yen)	Environmental expenses (million yen)	Projected reduction in expenses (million yen)	CO <sub>2</sub> reduction effect (Tons)
11,731	401	608	19,195

\* Totals for nine companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York Mart, SHELL GARDEN, Sogo & Seibu, Akachan Honpo, THE LOFT, and Seven & i Food Systems

## Stores with Hydrogen Stations

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Seven-Eleven Japan 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 Seven

## People- and Environment-Friendly 7-Eleven Stores for the Next Generation

In December 2017, Seven-Eleven Japan 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 approx. 28%\*1, and work times relating to the subject equipment has been reduced by approx. 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.



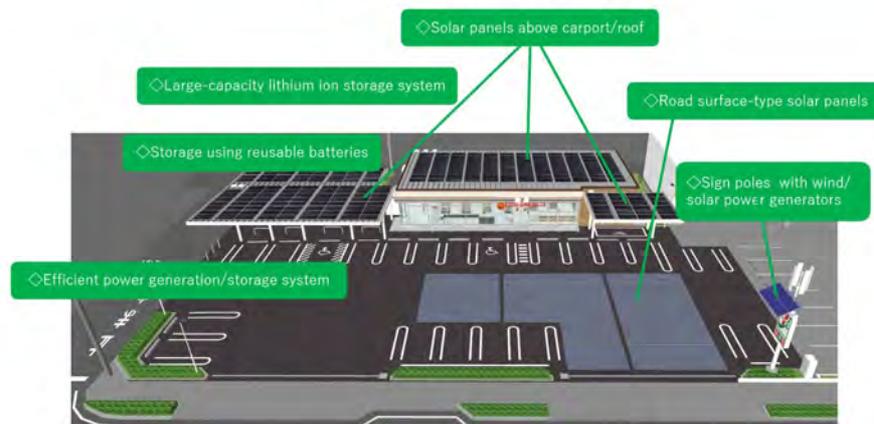
Chiyoda Nibancho 7-Eleven store



Sliding shelves

**【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 "GREEN CHALLENGE 2050" Environmental Declaration, Seven Eleven Japan started a trial test at 10 7-Eleven stores in Kanagawa Prefecture; all electric energy related to store operation is procured using renewable energy.

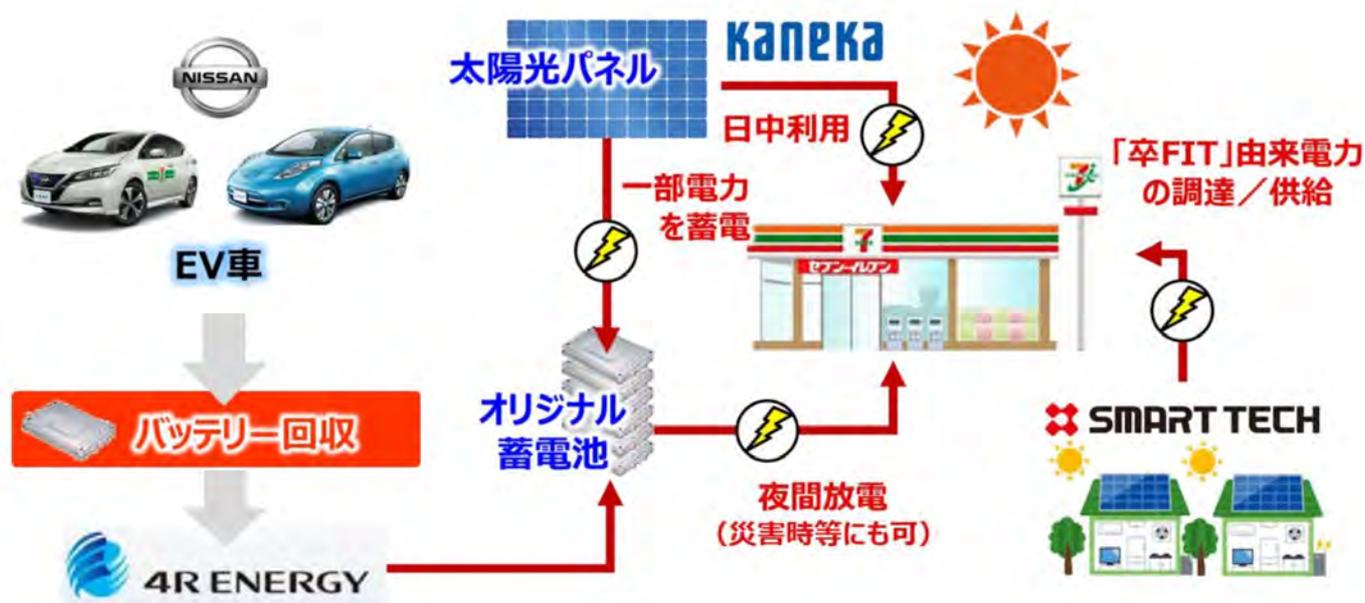
4R Energy Corporation's original batteries—which uses reused batteries from the Nissan LEAF electric vehicle produced by Nissan Motor Corporation—and solar panels with significantly improved electric power generation efficiency made by Kaneka Corporation are installed at stores undergoing the trial. 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 Corporation based on post-FIT\*1, which allowed an actual renewable energy rate of 100%\*2 when combined with in-house power generation. The electricity generated during the day will be stored and used at night to save energy in stores and strengthen their function as regional infrastructure in the event of a disaster.

In addition to initiatives such as "people- and environment-friendly stores" made thus far, we aim to significantly reduce CO2 emissions through this initiative.

\*1 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. 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

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Seven & i Holdings and NEC Corporation have installed approximately 2,800 chargers for electric vehicles (EVs) and plug-in hybrid vehicles (PHVs) as of February 29, 2020 in parking lots at 42 stores in Japan, including Ito-Yokado, Ario, Seibu, and Sogo 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 decarbonized society by promoting the spread of environment-friendly, next-generation cars.



Electric Vehicle Chargers

## Environmental Consideration in Leased Vehicles

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Seven-Eleven Japan Operation Field Consultants, who support franchised store management, use leased vehicles to visit franchised stores. Seven-Eleven Japan has been phasing in hybrid vehicles for these leased vehicles. In the fiscal year ending February 29, 2020, it replaced about 670 leased vehicles with hybrid models, bringing the total to 2,474 vehicles.

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

### Supply Chain Management (Environment)

Seven & i Group is making efforts to reduce its own environmental impact as well as working together with its business partners to reduce environmental impact across the entire supply chain. Besides requesting that our contractors that are manufacturing original products to comply with the Business Partner Sustainable Action Guidelines, we are also working to save energy at factories and introduce eco-friendly vehicles.



### Applying the Business Partner Sustainable Action Guidelines

To ensure that it meets its social responsibilities on matters such as reducing its impact on the environment, Seven & i Holdings formulated the Business Partner Action Guidelines in 2007 and asks business partners to comply with them. In December 2019, to clarify our intention to build a sustainable society together with our business partners, we enhanced items related to human rights and labor issues. Thus we changed the name of the guidelines to “Seven & i Group Business Partner Sustainable Action Guidelines.”

“8. Global Environmental Conservation” in the Seven & i Group Business Partner Sustainable Action Guidelines defines items such as compliance with environmental laws and regulations, appropriate handling of wastewater and waste, consideration of biodiversity, and proactive use of eco-friendly technologies, as well as items related to the “GREEN CHALLENGE 2050” Environmental Declaration.

For our business partners to understand these guidelines for sustainable behavior and take effective action, we are carrying out the following activities, which are primarily aimed at the original products manufactured by Group companies.

In particular, we have been conducting training for our business partners since fiscal year ended February 28, 2019 to support the promotion of their efforts. In 2019, we held local briefings on the Business Partner Sustainable Action Guidelines and related policies for our business partners at four venues in China and five venues in Southeast Asia in March and April. A total of 287 plants (94.4% participation rate\*) and 482 business partners took part.

- ◆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

\* Percentage of plants participating in briefing sessions among those subject to CSR audits in fiscal year ended February 29, 2020 (overseas)

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

## CSR Audits and Corrective Measures

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Since the fiscal year ended February 28, 2013, the Seven & I Group has 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 everything from items related to human rights and labor issues to 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.

If the business partner is found to be in conformance upon completion of the audit, we issue a Compliance Certificate. However, if items not in conformance with the audit items (nonconforming items) are found, the third-party auditing organization will indicate the nonconforming items to the business partner in question. 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 (evidence) and other materials. However, for plants that exceed certain standards, such as when numerous serious unacceptable items are found, the resolution of issues is confirmed through another visit to perform a re-audit. When correction of the non-compliant items is completed or the third-party auditing organization and Seven & I Holdings judge that the plan contained in the CAP is valid, a Compliance Certificate is issued to the relevant business partner.

The issuance of a "Compliance Certificate" is a prerequisite for a business relationship to continue. In addition, when a new transaction is requested, we ask that you understand and comply with the "Seven & I Group Business Partner Sustainable Action Guidelines" and begin the transaction after a "Compliance Certificate" has been issued through a CSR audit.

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

## Promoting Environmental Information Management at Manufacturing Plants

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Seven-Eleven Japan has its original daily products manufactured by several contract manufacturers. These manufacturers have organized the Nihon Delica Foods Association, which reports on the CO<sub>2</sub> emissions, waste emissions, and the food recycle rate. We work to ascertain the environmental information of our contract manufacturers and hold study seminars through the "Environment Subcommittee" under the CSR Promotion Committee of the Nihon Delica Foods Association, where we share and spread examples from each manufacturer and work to address environmental issues. Further, Seven-Eleven Japan declared that it will utilize Eco Action 21 established by the Ministry of the Environment. Seven-Eleven Japan is taking action such as holding briefings and acquired certification at 56 plants of 24 companies that produce daily products (as of February 29, 2020).

In addition, 181 plants in Japan that are tasked with manufacturing the Group's "Seven Premium" private brand products have acquired ISO 14001 certification for their environmental management systems.

## Scope 3\*1 Calculation

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Seven & I Holdings is working to reduce CO<sub>2</sub> emissions and evaluate its environmental impact at every stage from the supply chain through to sales and consumption, as stated in its Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming. To this end, we have calculated the CO<sub>2</sub> emissions ("Scope 3") throughout the entire supply 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 29, 2020 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 CO<sub>2</sub> emissions across the entire supply chain.

\* 1. "Scope 3": CO<sub>2</sub> emissions other than those from the company, emitted from its procurement of raw materials and products, transportation, and product use, together with CO<sub>2</sub> emissions from waste disposal processes

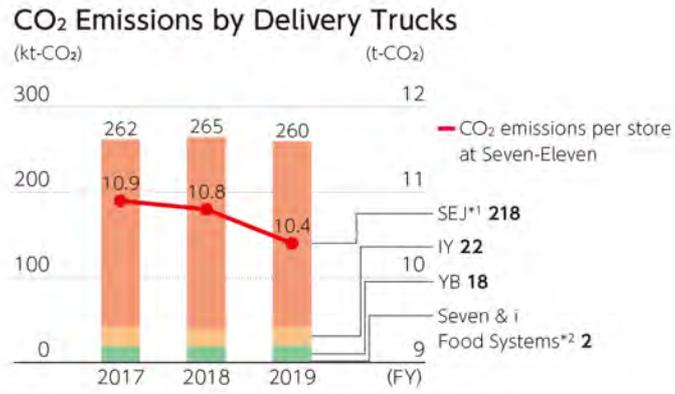
\* 2. The following 10 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York Mart, SHELL GARDEN, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & I Food Systems, and Seven Bank

**Breakdown of Greenhouse Gas Emissions throughout the Supply Chain in the Fiscal Year Ended February 29, 2020 (Totals for 10 companies)**

Categories	Composition ratio	
Scope1	0.4%	
Scope2	10.1%	
Scope3 Categories 1-15 (total)	89.6%	100.0%
Category 1 (Purchased goods and services)		86.0%
Category 2 (Capital goods)		3.2%
Category 3 (Fuel- and-energy-related activities not included in Scope 1 or 2)		1.0%
Category 4 (Upstream transportation and distribution)		1.6%
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)		0.0%
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)		6.1%
Category 13 (Downstream leased assets)		1.0%
Category 14 (Franchises)		-
Category 15 (Investments)		-
Other		0.1%
Total of Scopes 1, 2 and 3	100.0%	

## Reducing CO<sub>2</sub> 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.



\*1 SEJ includes CO<sub>2</sub> emission from distribution center operations  
 \*2 The values are from Denny's only.

## Introduction of Eco-Friendly Vehicles

For its delivery vehicles that convey products to stores, Seven-Eleven Japan is introducing clean diesel engines, compressed natural gas (CNG), hybrid vehicles, and fuel cell trucks such as EVs and hydrogen-powered trucks that do not emit CO<sub>2</sub>, with the goal of reducing CO<sub>2</sub> emissions to achieve a decarbonized society. Of the total of 6,231 delivery vehicles, 3,159 are eco-friendly vehicles (as of February 29, 2020).

Since March 2018, we have been cooperating with a project being conducted by Ehime Prefecture to encourage the use of biodiesel fuel produced from used frying oil. Seven-Eleven Japan has been refining bio diesel fuel from oil collected from households, fryers in 7-Eleven stores, and production of fried foods at specialized plants in Ehime Prefecture. Seven-Eleven Japan projects that approximately 25 kiloliters of bio diesel fuel will be used each month and that emissions from deliveries will be reduced by about 2,590 kg- CO<sub>2</sub> per month.

Additionally, in April 2019, we introduced two light fuel cell trucks developed by Toyota Motor Corporation. These trucks run on a fuel cell (FC unit) that uses hydrogen to generate electricity, has a maximum loading capacity of three tons, a cruising range of approximately 200 kilometers, and does not emit environmentally hazardous substances during operation. Also, the electricity generated by the FC unit is used to power the refrigeration unit.



A delivery vehicle the uses biodiesel fuel



Japan's first EV delivery truck



A small fuel cell truck

## Promoting Introduction of Eco-Friendly Tires

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Seven-Eleven Japan is promoting the introduction of eco-friendly tires with low rolling resistance for delivery vehicles. As of February 29, 2020, we have installed ecofriendly tires on 6,231 delivery vehicles, representing approximately 99% of the total fleet.

Moreover, Seven-Eleven Japan has also introduced retread tires to 850 vehicles, as of February 29, 2020. 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. Seven-Eleven Japan will promote the use of retread tires to contribute to resource conservation and waste reduction by reusing them.



## Introduction of Energy-Saving Equipment at Distribution Centers

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Seven-Eleven Japan is promoting efforts to reduce wasteful 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 65 of 163 distribution centers (as of February 29, 2020).

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

### Measures against Food Loss / Waste and Measures for Organic Waste Recycling

Food accounts for about 60% of Seven & i Group's sales, and the "GREEN CHALLENGE 2050" Environmental Declaration has established food loss and waste / organic waste recycling countermeasures as one of its themes and is promoting initiatives. The "GREEN CHALLENGE 2050" aims to raise the organic waste recycling rate to 70% by 2030 and 100% by 2050, and the amount of food loss and waste\* will be reduced by 50% by 2030 and 75% by 2050 compared to 2013.

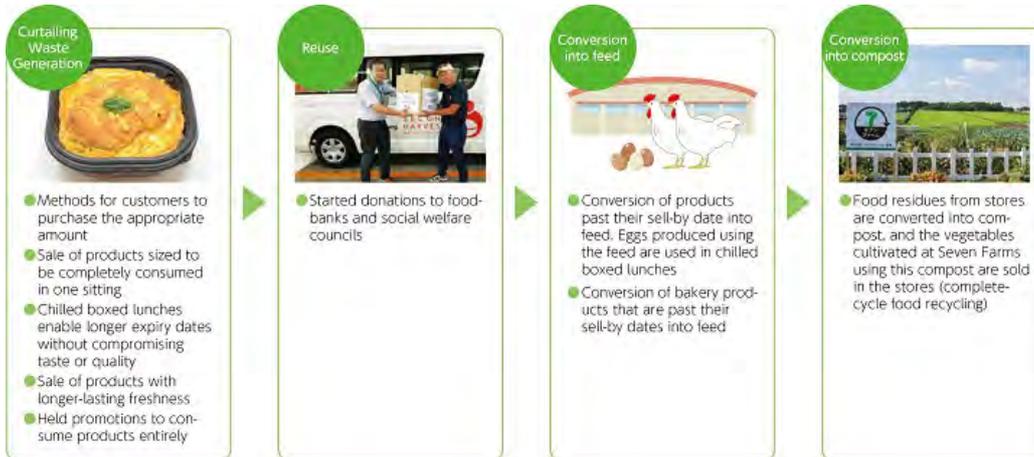
\*Amount generated per one million yen in sales



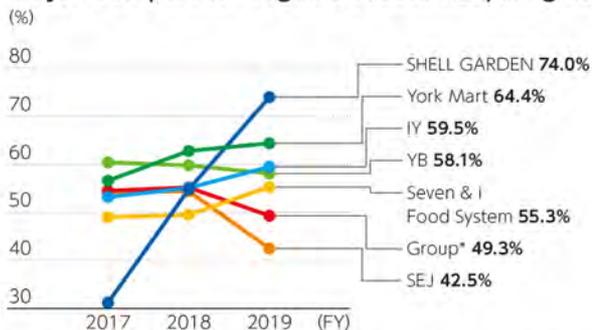
\* Covering six food-related operating companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York Mart, SHELL GARDEN, and Seven & i Food Systems.

### Our Approach to Reducing Organic Waste

Our priorities for reducing organic 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 will implement initiatives in order of priority at each stage.



### Major Companies' Organic Waste Recycling Rates



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

### Amount of Food Waste Generation

	FY 2017	FY 2018	FY 2019
Amount generated per million yen of sales (kg) *	22.58kg	21.80kg	22.35kg

\*Six food-related operating companies: (Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York Mart, SHELL GARDEN, and Seven & i Food Systems.)

## Food Waste Generation Curtailment Initiatives

In May 2020, Seven-Eleven Japan started an “ethical project” at stores nationwide with the aim of reducing food waste. The initiative reduces the generation of food waste by giving 5% of the tax-excluded price for target products near their expiration date as bonus nanaco points, and it covers a total of seven categories such as rice balls, bread, and delicatessen sweets.

In addition, for original daily products, we have made technological innovations that take advantage of the excellence of dedicated Seven-Eleven plants. Reviewing the manufacturing processes as well as temperature and hygiene management has allowed us to preserve safety and security without using preservatives and extend the expiration date (developing products with longer-lasting freshness) while improving the taste and quality. Starting with chilled boxed lunches in 2009, we have extended the freshness of products such as gratin and doria, pasta dishes, sandwiches, and delicatessen items. As of May 31, 2020, 84% of our original daily products have a sell-by deadline that is over 24 hours away.

In addition, Ito-Yokado has introduced food items sold loose and sold by small portions as well as cut vegetables to enable customers to purchase products only in the amounts they need. Denny's of Seven & i Food Systems provides menus offering dishes with smaller servings that can be finished comfortably without leftovers. It also provides take-out containers for customers to take the leftovers home, when they wish. These are some ways that the Seven & i Group has been innovating its sales methods, products, and other aspects of its business in various ways to reduce food waste.

## Reuse Initiatives

Ito-Yokado has been donating unexpired foods from some stores to food banks since the fiscal year ended February 28, 2018.

With regard to reuse, Seven-Eleven Japan has been donating inventories of processed foods to food banks when stores are closed or refurbished, and since the fiscal year ended February 28, 2019, it concluded regional comprehensive collaboration agreements with municipalities and began making donations to social welfare organizations. As of February 29, 2020, it has concluded regional comprehensive collaboration agreements with 184 municipalities.

## Animal Feed and Fertilizer Conversion Initiatives

Seven-Eleven Japan has been promoting “Eco Distribution\*” since 1994 as a system for appropriate processing and recycling of organic waste. In the fiscal year ended February 29, 2020, the combined recycling rate for products that had passed their sell-by dates and discarded food oil was 42.5%.

In August 2008, with the aim of enhancing recycling rates and revitalizing local agriculture, Ito-Yokado established “Seven Farm Tomisato” as an agricultural production corporation in Tomisato City, Chiba Prefecture, thereby becoming the first player in the retail sector to engage in “recycling-oriented agriculture.” “Recycling-oriented agriculture” is an initiative for composting food residues (garbage) generated by Ito-Yokado 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 29, 2020, Seven Farm had expanded to 12 sites nationwide, Seven Farm is actively working to acquire certification under Japan Good Agricultural Practice (JGAP), an agricultural production process management technique, and ten Seven Farm locations have acquired JGAP certification.

Additionally, York-Benimaru is converting fish ilium bones discarded by stores into feed. Moreover, 100% of waste oil, such as that generated from the frying oil used to cook delicatessen items at the stores of each Group company, is recycled. Going forward, the Seven & i Group will continue to promote organic waste recycling.

\* Eco Distribution: Seven-Eleven's original waste recycling system

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



Seven Farms



Seven Farms Recycling-Oriented System

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

## On-site Processing (Organic Waste Processors) Initiatives

In 2001, Sogo & Seibu began installing manufacturing equipment that use organic waste generated by restaurants and employee cafeterias as fertilizer, and as of February 2020, a total of nine machines have been installed in two stores. The fertilizer produced is provided for free to affiliated farms, and we are making efforts to promote organic waste recycling by selling vegetables produced at those farms at our stores.

At Ito-Yokado, a “biodegradable garbage processor” system that breaks down organic waste using microorganisms was introduced in October of 2011 and has been installed on the sites of 20 stores as of the end of February 2020. 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. Additionally, Seven-Eleven Japan also started operations tests of biodegradable garbage processors in 2013.

These on-site organic waste treatment eliminates the need for delivery to local municipal treatment centers and contributes to the reduction of CO2 emissions generated during delivery and incineration.



Biodegradable Garbage Processors

## Initiatives Across the Entire Supply Chain

The Seven & i Group continues to implement initiatives to reduce food loss throughout its supply chain. As one example, we are relaxing product delivery deadlines at Seven-Eleven Japan, Ito-Yokado, York-Benimaru, and York. Until now, our business practice was to use the “1/3 rule,” which entailed delivering products to stores before a third of the period between the date of manufacture and the expiration date had passed. As an initiative for reducing food loss, we are revising certain categories of products to a “1/2 rule,” which relaxes delivery deadlines by allowing deliveries before half of the period between the date of manufacture and the expiration date has passed. Going forward, we will expand target categories to reduce the inventory burden of manufacturers and vendors and work to further reduce food loss.



Image showing eased delivery deadlines

Further, Seven-Eleven Japan has extended expiration dates by improving hygiene management levels at plants that manufacture original daily products, reduced inventory disposal costs at distribution centers, and is promoting efforts to reduce food waste throughout the supply chain by its efforts such as the “Ethical Project,” which grants nanaco points for products whose sell-by deadlines are approaching. In July 2020, these efforts received praise and won the Excellence Award and Special Award in the “2020 Supply chain Innovation Award” contest hosted by of the Ministry of Economy, Trade and Industry.

## Awareness-raising Activities for Reducing Food Loss and Waste

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The Seven & i Group is implementing its own efforts to reduce food loss and waste, and in light of the fact that approximately half of food loss is generated by homes, we are conducting educational activities to reduce food waste at home. In October 2019, coinciding with Food Waste Reduction Month, we distributed eco-friendly recipes that use up all the ingredients and hosted cooking demonstrations at some stores. Additionally, we conducted a food drive in which customers could bring their extra food to participating Ito-Yokado and Sogo and Seibu stores and have it be donated to food banks. Moreover, Seven & i Holdings and the headquarters of Seven Bank also conducted a food drive to raise awareness among employees.

At Seven & i Food Systems, companies in the restaurant business have the responsibility to promote efforts that encourage customers to finish their food. At the end of February 2020, 13 local municipals nationwide have registered as stores that promote food loss reduction, such as stores that encourage customers to finish their meals. Moreover, since October 2019, Denny's menu has made it clear that there is a small-serving option for rice that is easy to finish, and it has displayed the "Loss Non" symbol used by the national movement to promote food waste reduction.

## 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 toward achieving a circular economy that makes effective use of resources by working with customers and business partners to reduce waste, collect recyclable resources at stores, promote recycling, and reuse materials.

With regard to the reduction of plastic shopping bags that has been attracting increased attention lately, the “GREEN CHALLENGE 2050” Environmental Declaration states that use of plastic shopping bags should be reduced to zero by 2030, and the materials used for shopping bags should be sustainable, natural materials such as paper.



## Installing Reverse Vending Machines for Collecting PET Bottles for Recycling

Ito-Yokado, York-Benimru, and York have had reverse vending machines for Collecting PET bottles for recycling installed at stores since 2012. Since 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. 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 2020, 820 reverse vending machines have been installed in stores across the four companies, and approximately 9,740 tons of PET bottles have been collected. We are promoting an initiative to recycle material from PET bottles collected at stores and use it in packaging for the Group’s Seven Premium private brand products. Moreover, we have printed a note explaining the process from collecting to recycling on the product packaging.

Seven-Eleven Japan 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 Prefectures starting in December 2017.

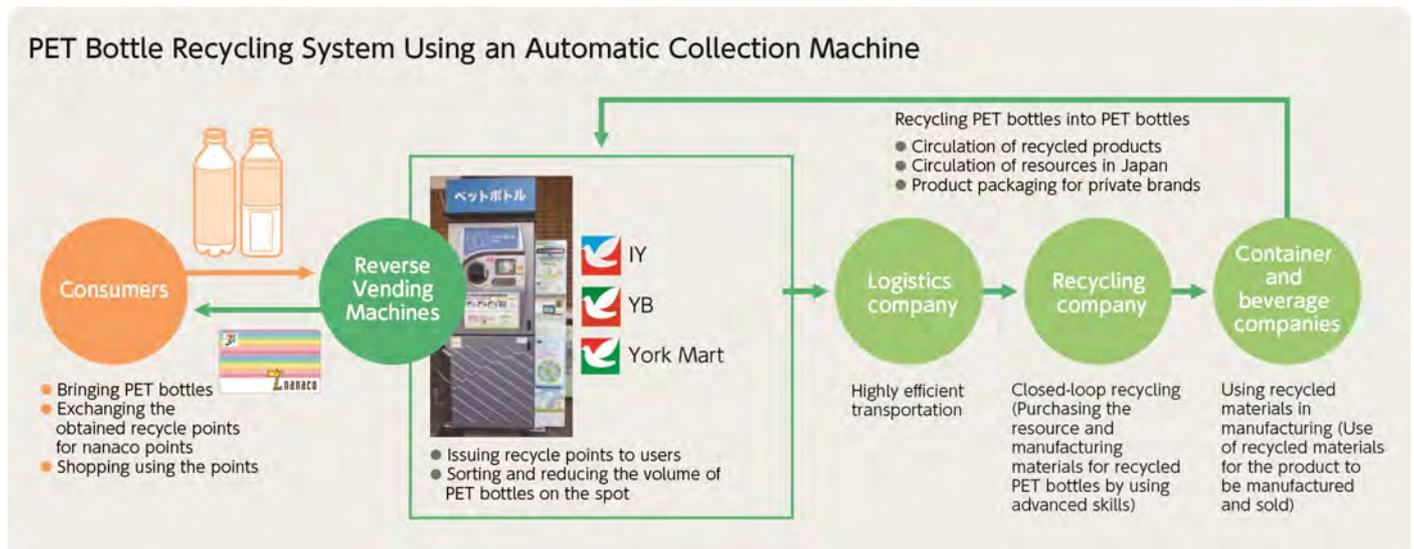
In addition, since June 2019, Seven-Eleven Japan has been partnering with Higashiyamato City, the Higashiyamato City Cleaning Business Cooperative, and the Nippon Foundation to gradually install automatic PET bottle collection machines to promote bottle-to-bottle recycling at all 7-Eleven stores in Higashiyamato City.

Moreover, in September 2019, PET bottle reverse vending machines were installed for in convenience stores in Okinawa Prefecture for the first time. There are plans to install them at more stores in the prefecture going forward. Seven & i Group 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



## Number of PET Bottle Reverse Vending Machines Installed and Amount Collected

	FY2017	FY2018	FY2019
Amount collected (tons)	7,109	8,900	9,740
Number installed (units)	701	759	820

## Achieving Complete Bottle-to-Bottle PET Bottle Recycling

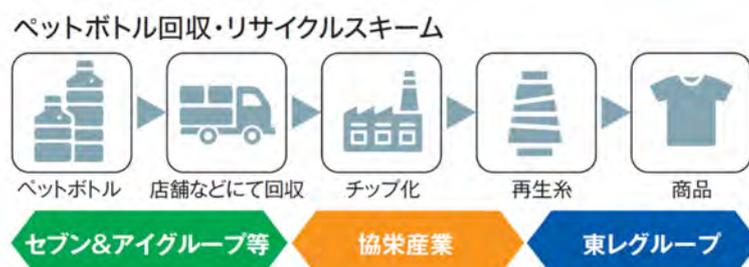
In June 2019, the Seven & i Group began selling “Seven Premium Hajime Ryokucha Ichi-nichi Ippon” in recycled bottles made by using 100% of the PET bottles collected by reverse vending machines at stores. It is the first initiative of its kind in the world that recycles PET bottles collected from specific distribution groups as raw materials and sells them as a product again in the same distribution group.\*

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

## Using Recycled PET Material for Clothing

The Seven & i Group is making efforts to expand the use of recycled PET materials while promoting the collection of PET bottles. In February 2020, “Seven Premium Lifestyle Body Cooler,” an underwear that utilizes PET bottles collected by PET bottle reverse vending machines installed at Group stores and uses recycled yarn made from the PET bottles, went on sale at Ito-Yokado, York-Benimaru, and Sogo & Seibu stores nationwide. This was the first time that clothing using PET bottles collected by the Group was released.

## PET Bottle Collection/Recycling Scheme



## Collection of Recyclable Resource 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 collect recycling 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 collect small electrical appliances, which have been drawing attention as “urban mines.”

## Reducing the Use of Disposable Plastic Bags

The Seven & i Group has promoted 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.

Seven-Eleven Japan, with the marine plastic waste problem becoming a social issue, has recommended that its member stores use plastic shopping bags containing 30% plant-derived biomass polyethylene to further reduce usage fees for petroleum-derived plastics, and in April 2019, it completed the recommendation to 21,000 stores nationwide. By having convenience stores nationwide that consumers are familiar with recommend plastic shopping bags made of eco-friendly biomass polyethylene, we are working to promote the spread of biomass products nationwide and reduce the impact on the environment. Seven-Eleven Japan achievements were recognized in November 2019, when we received the “9th Biomass Product Promotion Achievement Award (sponsored by the Japan Society of Biomass Industries).”

In addition, ever since plastic shopping bags started to cost money in July 2020, the turn-down rate at Seven-Eleven has grown to about 75% (about 30% before the charge was applied), and the turn-down rate across the entire Group, including Ito-Yokado and Sogo & Seibu, is just under 80%.

## Reducing Waste Resulting from Products

Ito-Yokado 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, Ito-Yokado utilizes reusable containers and hangers for delivery of apparel as a way of cutting down on the use of packaging and cardboard. At stores, Ito-Yokado promotes 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 resulted in destructions of stores are reused in constructions of new stores to reduce construction waste.



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

### Introduction of Environmentally 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. In the “GREEN CHALLENGE 2050” Environmental Declaration,” the Seven & i Group is promoting the reduction of the environmental impact associated with containers and packaging by pledging to make 50% of the containers and packaging used in original products (including Seven Premium) consist of environmentally conscious materials by 2030, and 100% by 2050.



### Plastic Usage Reduction Initiatives

At Ito-Yokado, York-Benimaru, and York, 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 deep-fried chicken. In other areas, some products sold in fresh meat sales areas have adopted the method of packing meat for sale in plastic bags without a polystyrene tray.

At Seven-Eleven Japan, the lids on containers of the “Cup Deli” line of salad products have been changed to top-seal types, and the amount of plastic used per container has been reduced by about 25% compared to conventional containers.



“Cup Deli” products with top-seal lids



“Cup Deli” products with top-seal lids

### Shifting 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. Therefore, this initiative has resulted in a reduction in CO2 emissions 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 Biomass Raw Materials

In the fiscal year ended February 29, 2016, Seven-Eleven Japan replaced the original Salad Cup Container sold in the chilled cases of its stores with containers that use environmentally friendly PET made from recycled or biomass PET rather than oil-based PET. Ito-Yokado 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 environmentally friendly PET



Bioplastic container



Cut fruit inside a bioplastic container

In April 2016, Seven-Eleven Japan 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, Seven-Eleven Japan 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-based materials

## Introducing Paper Containers

Since June 2020, Seven-Eleven Japan has switched from conventional plastic to paper containers for “chilled boxed lunches” sold in the Tokyo metropolitan area (gradually expanding nationwide). Through this initiative, Seven-Eleven Japan expects to reduce the amount of plastic used by approximately 800 tons in the fiscal year ending February 28, 2021.



Paper container for chilled boxed lunches



A chilled boxed lunch (beef bowl) inside a paper container

## 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 \(in Japanese\)](#)

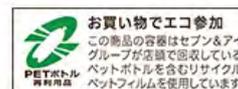
## Introduction of Recycled Materials

Ito-Yokado and York are introducing recycled trays manufactured by suppliers that have received Eco Mark certification. In the fiscal year ended February 28, 2020, approximately 670 types of recycled tray were introduced. The introduction of recycled trays reduced annual CO2 emissions by approximately 2,300 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

## Environmental Efforts of 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.

Moreover, in November 2019, we introduced straws for use at SEVEN CAFÉ that use the biopolymer “PHBH®” from Kaneka Co., Ltd., which is 100% plant-derived and biodegradable, at approximately 10,000 stores. Additionally, the remaining 11,000 stores have introduced FSC-certified paper straws. We are working to reduce the distribution of petroleum-derived plastic straws at all 7-Eleven stores and promoting eco- friendliness at SEVEN CAFÉ.



Environmentally friendly SEVEN CAFÉ



Antibacterial deodorizer that uses recycled coffee grounds

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

### Internal and External Communication

The Seven & i Group is utilizing the characteristics of the retail business, which is used by approximately 25 million customers every day in Japan alone, to promote environmental activities along with its customers. Moreover, we emphasize collaboration with various stakeholders through participation in the activities of external organizations and communication with NPOs. Further, to promote environmental activities, it is necessary for each and every one of our more than 100,000 employees in Japan to take action, so we are also focusing our efforts on awareness-raising activities for employees.



### Communication with Customers

At the Seven & i Group, we value communication with our customers, and we take advantage of the opportunity to interact directly with many customers, a feature of the retail business. In the fiscal year ended February 29, 2020, we held campaigns and events to reduce food waste in conjunction with “Food Waste Reduction Month” in October. For example, we created and displayed informative posters in collaboration with Ministry of the Environment to inform customers of the correct expiration dates, good-purchase-practice tips, and recipes to use up all leftovers, in which it is eco-friendly and economic. Further, at three Ito-Yokado stores in Yokohama City and at the Seibu Tokorozawa Shopping Center, we held a food drive where customers could bring food they did not use at home and donate it to a food bank. And thanks to the cooperation of many customers in the food drive, Ito-Yokado set up permanent reception spots for donated food at 15 stores in August 2020.

In addition, in the fiscal year ended February 29, 2020, we participated in external events, such as hosting an exhibit at the environmental exhibition “EcoPro Products 2019” to introduce our efforts to collect and recycle PET bottles from customers and request that visitors help us collect resources. Furthermore, as the first initiative of its kind at Seven & i Holdings, in February 2020, we carried out a purchase-type crowdfunding as part of a “Sea Picture Book ‘Production Project’” through the participation of our customers. This book was created to convey the significance of issues such as the depletion of marine resources and the problems with plastics to the children who will lead the future, as well as to change the behavior of the current generation, who are the ones who read the book aloud. The production of the picture book is centered on “Fisherman Japan,” a group of young fishermen from Sanriku, and it is not only filled with content from a technical academic perspective, but also contains the thoughts of various stakeholders, such as distributors and fish retailers.

## 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, with regard to climate change, we joined the Japan Climate Initiative (JCI), the Japan Climate Leaders' Partnership (JCLP), and the TCFD Consortium, and for plastic issues, we joined the Japan Clean Ocean Material Alliance (CLOMA). We are making efforts to promote environmental activities in cooperation with various companies and organizations.

In addition, Seven-Eleven Japan has been conducting environment-themed social contribution activities together with franchised stores through the Seven-Eleven Foundation since 1993. Based on contributions<sup>1</sup> from customers collected through collection boxes placed at the counters of 7-Eleven stores, along with donations from Seven-Eleven Japan and other funds, the Seven-Eleven Foundation engages in environmental citizenship activity support projects, natural resource protection and conservation projects, publicity projects, and disaster recovery assistance projects. One of the major pillars of the environmental citizenship activities<sup>2</sup> 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 19 years in total, the foundation has provided ¥2,312,126,282 in funding for 3,809 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 abundant nature cultivated by the region as well as its ecosystems, history, and culture. 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. Moreover, 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 29, 2020 amounted to ¥471,293,805. The total amount of storefront donations collected since the fiscal year ended February 28, 1995 is ¥7,935,852,211.

\* 2. Assistance for environmental NPOs through public support in the fiscal year ended February 29, 2020 (including recipients of ongoing support): 289 support projects; ¥133,402,934 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 considered the material issues that Seven & i Holdings should address, we identified our material issues upon engaging in dialogue with 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](#)

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

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Seven & i Group companies regularly hold training for new recruits and newly appointed managers in line with the characteristics of each of their businesses. The aim is to instill basic knowledge and facilitate their understanding of environmental matters. Additionally, starting in the fiscal year ended February 29, 2020, we have conducted Group-wide e-learning every June related to the "GREEN CHALLENGE 2050" Environmental Declaration announced in May 2019.

Further, 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 the fiscal year ending February 28, 2021, each company supports test takers by subsidizing test fees, holding study sessions, and so forth. In the fiscal year ended February 29, 2020, 3,064 employees passed the test (cumulative total of 9,579 people passing the test since the fiscal year ended February 28, 2015).

## Holding Environmental Events to Raise Awareness Among Employees

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Seven & i Holdings holds internal environmental events within the Company to provide opportunities to raise environmental awareness of employees. For example, Group employees participate alongside 7-Eleven franchisees 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 17 locations throughout Japan; marine afforestation initiatives to cultivate eelgrass habitats, which purify water and reduce CO<sub>2</sub>, thereby enriching the marine environments in Tokyo Bay and Osaka Bay; and conservation activities on Mt. Fuji. In the fiscal year ended February 29, 2020, a total of 2,041 people took part in such events, including personnel from Seven-Eleven Japan franchised stores and Head Office employees as well as Group employees.

Additionally, various programs are conducted to raise employee awareness and understanding particularly in June, which has been designated as Group Environment Month, and October, which has been designated Food Waste Reduction Month. In the fiscal year ended February 29, 2020, 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 a food drive where customers could bring food they did not use at home and donate it to a food bank were conducted as well. These efforts provided employees with opportunities to think about the environment through these experiences.

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

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

## 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](#)

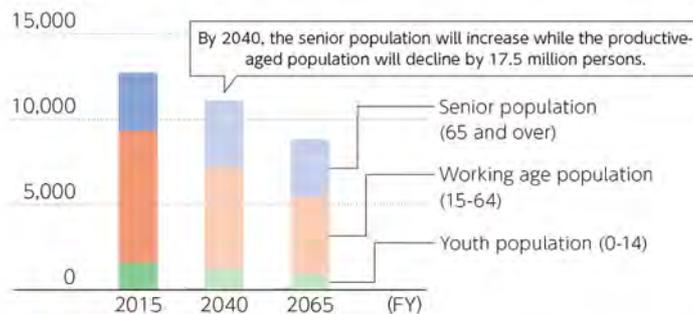
### Background to Material Issue

#### Aging Population 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. By 2040, the productive-aged population is projected to decline by approximately 17.5 million as the senior population increases. For this reason, raising productivity by bolstering employee capacities as well as employing and developing diverse personnel will not only increase a company's competitiveness but also help vitalize Japan's economy and society

#### Population Projections for Japan in 25-Year Periods

(10,000 persons)



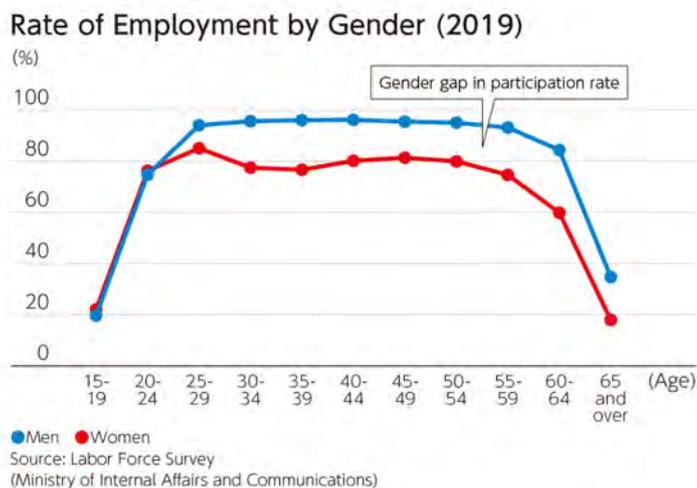
Legend: Actual (Blue, Orange, Green), Projected (Light Blue, Light Orange, Light Green)

Source: Population Estimates, statistics Bureau, Ministry of Internal Affairs and Communications Population Projections for Japan (2017 Estimates). Statistics from the National Institute of Population and Social Security Research

## 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, in Japan, the ratio of women in management—at 11.8%\* (2018) for those in positions equivalent to section manager and above—is relatively low by international standards. Creating workplaces where women with high capabilities can play active roles is therefore an important task.

\* From "Basic Survey of Gender Equality in Employment Management in FY2018," Ministry of Health, Labour and Welfare



## Promotional Framework for Material Issues

In response to this material issue, the CSR Management Committee 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 their full potential, and promote the development of appealing, fulfilling workplaces. These activities are supervised by the Director & Managing Executive Officer Head of Corporate Development Division, Seven and i Holdings.

## 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 be a company with a sustainable competitive advantage by enhancing our diverse human resources.

[> More](#)

### Achieving a Work-Life Balance

We have a range of human resource systems in place to help employees to work more easily and comfortably. We are also working to correct long working hours and encourage employees to take leave for the better work-life balance.

[> 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 enhance 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 standards, 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. Five targets were set, including that for the percentage of female managers, based in part on the strategy to 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. We undertake initiatives after deciding on a theme.

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.

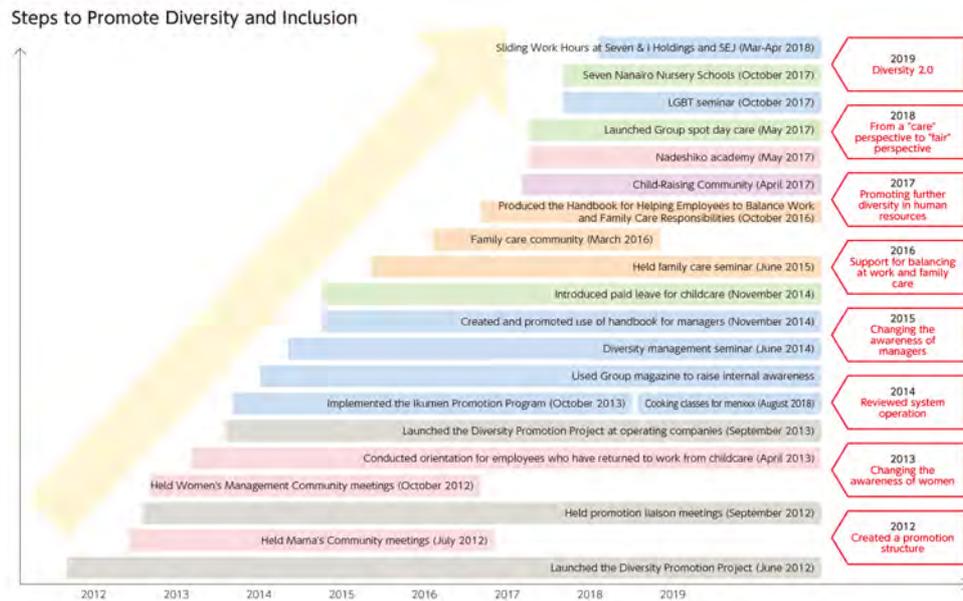
In addition, since the fiscal year ended February 29, 2016, we have supported the balancing of work and family care responsibilities, and since the fiscal year ending February 28, 2018, we have been encouraging the understanding of LGBT issues.

In the fiscal year ending February 29, 2020, we returned to our roots to promote Diversity 2.0. 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 the fiscal year ending February 28, 2023

1. Raise percentage of female managers: 30%
2. Encourage male employees to participate in housework and childcare
3. Eliminate retirements resulting from need to provide family care
4. Promote normalization
5. Encourage understanding of LGBT issues



## 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 regular[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.

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

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

> [Seven & i Holdings \(in Japanese\)](#)

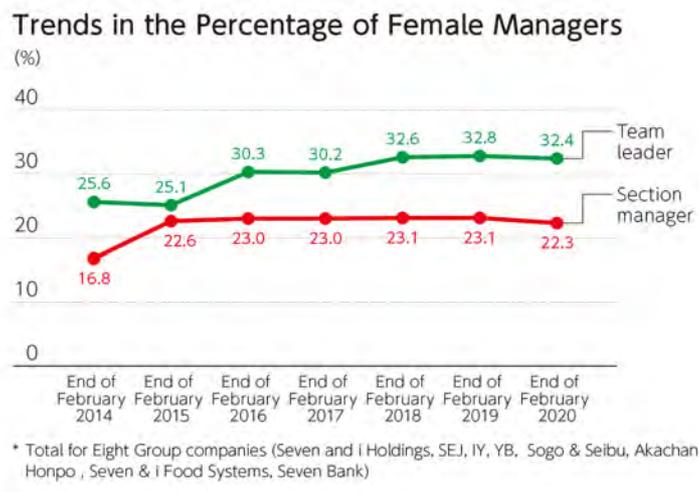
> [Seven-Eleven Japan \(in Japanese\)](#)

> [Ito-Yokado \(in Japanese\)](#)

> [Sogo & Seibu \(in Japanese\)](#)

## 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, one of our targets for diversity promotion. As of the end of February 2019, the percentage of female managers has increased to 32.4 % for team leaders and 22.3% for section managers. There has also been progress in changing awareness among female employees and managers, and there are now many managers in the midst of child raising as well as in the short working hours program. At present, we are working to 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.



> [See here for details on the ratio of female managers in each Group company \(Data Section\)](#)

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

The Seven & i Holdings Group is working to foster a culture where women and other diverse human resources can play active roles by conducting community activities and training targeting various levels within the Group.

### Support for Employees 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. The seminars were held four times in the fiscal year ended February 29, 2020 with participation from 85 persons from Group companies.



Child-Raising Community

At Group companies, various awareness-raising activities and support are conducted to develop environments where employees seeking to balance work and the raising of children can fully apply their abilities. At Seven-Eleven Japan, since 2015, Reappointment Guidance Sessions have been held for employees returning to work after childcare leave. Since the fiscal year ended February 28, 2019, these sessions have been held twice each year, in spring and autumn respectively. In the fiscal year ended February 28, 2019, 162 employees participated in the sessions, and in the fiscal year ended February 29, 2020, 130 employees participated. An environment is in place to allow easy participation in these sessions. For example, TV conferencing is used to link the Tokyo head office with offices nationwide in Japan, and temporary childcare is provided within the company so that employees can participate in the sessions.

In the fiscal year ended February 29, 2020, Seven & i Food Systems organized the "Papa's & Mama's Community" to support employees who work while raising children. For employees who are about to return to work from raising children and those who are thinking about taking maternity leave, an opportunity was created to explain the re-challenge plan and form communities with employees who have parenting experience to help reduce concerns about balancing work with child-raising.

At York Mart, three gatherings were held in fiscal 2019 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.



Return-to-work Guidance Session (Seven-Eleven Japan)

## Career Development Support for Women

Seven & i Holdings continues to undertake initiatives that support women's career development as part of positive action. In 2017, the Company started holding the "Nadeshiko Academy" to teach knowledge and skills necessary for managers so as to develop future managers. The seminars have been held 12 times as of February 29, 2020, and approximately 1,500 people from all Group companies have participated. From the fiscal year ending February 28, 2021, the Company plans to hold seminars targeting an even wider range of participants.



Nadeshiko Academy

## Promotion of Participation in Housework and Child-Raising by Men

At Seven & i Holdings, the Ikumen (child-raising men) Promotion Program—which targets male employees to raise their desire for participating in housework and child-raising—has been implemented as a group-wide initiative since 2013. In the fiscal year ended February 29, 2020, time-saving cooking classes were conducted using Seven-Eleven's cooking kits.

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 \(Data Section\)](#)



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 a group-wide initiative 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 20 times as of February 29, 2020, and approximately 5,500 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 the fiscal year ending February 28, 2021, training has been started to eradicate unconscious bias.

In addition, other measures are being taken to further train managers to make good use of their diverse human resources to generate results, such as distributing the Diversity Management Handbook to managers at all Group companies to promote communication with staff members working to balance work and childcare or family care responsibilities.

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 raise 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 management of diverse subordinates, including the importance of workplaces where diverse employees can apply themselves, the understanding of systems for supporting balance between child-raising and family care with work, and the evaluation of employees in the short working hours program. Five such sessions were held in fiscal 2019, with 124 executives attending.



A Diversity Management Seminar

## Awareness-raising of LGBT Rights

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”. Each year since 2017, we have been conducting seminars for promoting understanding of LGBT rights led by an outside speaker. As of February 29, 2020, a total of 387 employees from 17 Group companies have attended these seminars. 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.

Seven-Eleven Japan set up a corporate booth for two consecutive years—2018 and 2019—at Japan’s largest LGBT awareness-raising event, Tokyo Rainbow Pride, to communicate both internally and externally our corporate stance that seeks to be LGBT-friendly company. We are also undertaking awareness-raising activities in regional communities, setting up a booth at Kyushu Rainbow Pride in 2018. Through these activities, we were recognized with the “Gold” rank in 2018 and “Silver” rank in 2019 on the PRIDE Index, the only indicator in Japan for progress in LGBT initiatives.



Seven-Eleven Japan’s booth at Tokyo Rainbow Pride 2019



PRIDE Index: Silver 2019

## 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 "Semi- Nadeshiko 2019" by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange, Inc.



Semi- Nadeshiko 2019

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, Ito-Yokado, 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 29, 2020). In addition, in September 2020, Seven-Eleven Japan obtained second rank in the "L-Boshi" Designation.



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. Providing an environment where everyone can play an active role, 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 22 people with disabilities as of June 1, 2020, making the Group's employment rate of people with disabilities\*2, including those employed by Terube, 2.96%. The goal for the fiscal year ended February 29, 2021 is 2.96%. 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, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, 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, Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

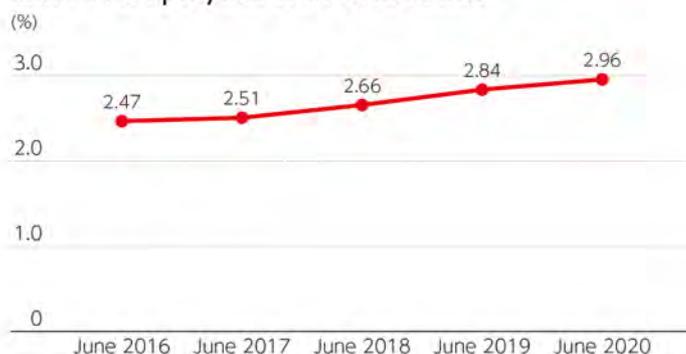


Special subsidiary, Terube Ltd.



The first company certified as an Employer of Persons with Disabilities

### Ratio of Employees with Disabilities



\* The ratio of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terube (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

## 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”

## Support for Employment Stability of Employees with Disabilities

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 89 employees certified as “Employment Counselor for People with Disabilities” and 12 employees certified as “Job Coaches (in-house workplace adjustment supporters )” as of the end of February 2020.

## 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 2020, 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.

## Support for Participation of Seniors and Non-Japanese Employees

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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 Ito-Yokado, 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 2020, 7,471 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, Seven-Eleven Japan 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, Seven-Eleven Japan 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 9.7% as of the end of February 2020, accounting for approximately 39,000 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 relocating to country-side

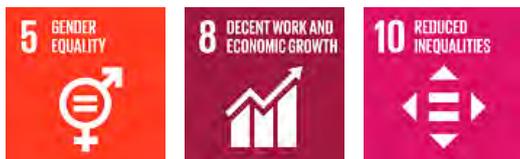
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Seven-Eleven Japan has started an Independent Support System for people hoping to relocate themselves to their hometown or country-side. The initiative supports the applicants who are wanting to move to an area for reasons such as seeking a better child-raising or living environment, to start the business. By supporting the migration of people who want to start a Seven-Eleven business in a local area - 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 comfortably while engaging in childcare or nursing care.

For example, at Ito-Yokado, which has around 30,000 employees, the most among the Group’s operating companies, there are childbirth and childcare programs and a family care program available for 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 are freely selected by individual employees, and combining a leave program with a reduced work hours plan is also possible. To allow all employees to see the programs, they are posted on the intranet, and understanding of the programs is also promoted during training for younger employees and level-specific training.

#### 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 August 31 of the year their child starts junior high school	—
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 within three years.	Employees resigning to focus on family care are given priority in hiring within 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	—

## Child-care support for employees

Seven-Eleven Japan began the “Spot Day Care” initiative in October 2016 to support the careers of employees with small children. At Seven-Eleven Japan, 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. Started on a trial at four business offices, it was put into full operation starting from May 2017. As of February 28, 2019, it has been extended to all offices nationwide (33 areas). As of February 29, 2020, a total of 1,321 employees had utilized the system, with a total of 1,769 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 opened in Ota-ku, Tokyo, and Hiroshima City. These facilities are available for use by 7- Eleven store owners, their employees, and local residents as well as Seven-Eleven Japan employees. An additional school 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

## Encouraging Male Employees to Take Childcare Leave

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 29, 2020, 44 male employees took childcare leave at Seven & i Holdings, along with 519 at Seven-Eleven Japan, and 393 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

## External Evaluation Related to Child-raising Support

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Ito-Yokado received “Platinum Kurumin” Mark certification from the Ministry of Health, Labour and Welfare as a company that supports the raising of children. “Platinum Kurumin” is awarded to companies that have already received “Kurumin” certification and have made significant progress in the use of systems to support balancing work with childcare while implementing measures at a high level. The system was established to promote continued initiatives.

In addition, Seven & i Holdings, Seven-Eleven Japan, York-Benimaru, Sogo & Seibu, Seven & i Food Systems and Seven Bank have received the “Kurumin” certification (as of February 29, 2020).



Kurumin Marks

## Support for Balancing Work with Nursing Care

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The Seven & i Group also works to help employees balance their work 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. We have been regularly holding Family Care Responsibility Seminars with external experts as prior preparation for handling such responsibilities. In the fiscal year ended February 29, 2020, there were 225 participants from Group companies. In addition, we are striving to create working environments that make it easy to balance work with nursing care, including producing the Handbook for Helping Employees to Balance Work and Family Care Responsibilities with a view of using it in training and such at all Group operating companies, raising awareness about consultation help lines, and posting cases of employees balancing work with nursing care on our company newsletter. As support for balancing work with nursing care, Seven-Eleven Japan revamped the Handbook for Balancing Work and Family Care Responsibilities in 2019. This handbook is posted on the notice board of the intranet so that it can be checked as required by all employees. Going forward, we will continue to carry out awareness-raising activities so that we can build a system that balances work with nursing care where employees properly understand knowledge about such balance.

## Work from Home Arrangement

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Seven & i Holdings, Seven-Eleven Japan, Seven & i Food Systems, Seven Bank, and Nissen Holdings have telecommuting systems to make effective use of time before and after work to improve productivity and achieve work-life balance.

## Restricting Long Working Hours and Encouraging Taking of Leave

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At the Seven & i Group, we think it is important to establish proper working environments to create comfortable workplaces. We work to restrict long working hours and raise the percentage of paid leave taken. We are introducing systems at Group companies that promote the visualization of overtime work and allow managers and employees themselves to understand the state of overtime at any time. In addition, together with promoting the review of operations at departments with a lot of overtime work and relooking of work allocation, we seek to foster a culture that looks toward improving working conditions by measures such as implement days with no overtime work and display of posters. Furthermore, the Group has set a target of achieving at least 70% for percentage of annual paid leave taken. Group companies implement initiative to encourage the taking of leave, such as encouraging employees to take long periods of leave twice each year, and visualizing the plan for taking leave.

### Introduction of Staggered Working Hours

Seven & i Holdings and Seven-Eleven Japan have implemented a system for staggered commuting times and sliding work hours since the fiscal year ended February 28, 2019 that allows 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.

Since February 2020, 7 a.m., 7:30 a.m., and 11 a.m. have been added as selectable work start times for the purpose of preventing the spread of COVID-19. Seven-Eleven Japan 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 Variable Working Hours System

Since 2017, Seven & i Food Systems has introduced a one-month variable working hours system that allows work to be planned according to busy and lull periods. Through the introduction of this system, the number of days of paid leave taken by full-time employees increased and the average monthly overtime work also decreased, thereby improving employees' work-life balance.

## Implementation of Volunteer Leave System

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To support employee participation in local community activities for people with disabilities, family care support, environmental restoration, disaster reconstruction support, and other objectives, Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York, 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 29, 2020, 33 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 Ito-Yokado, 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 on-the-job training 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.

York-Benimru uses target setting charts to assess 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	• Corporate fundamentals, retail fundamentals	Personal development support (correspondence courses, Eco Test, etc.)	
	Fresh food preparation training	• Safety & reliability, learning of basic skills		
New employees	Training for new employees	• Corporate fundamentals, retail fundamentals		Group training for new employees
	Cash register & service training	• Fundamentals of cash register and service counter work		
	Item-by-item management training	• Concept of plan, do, check, act		
	Divisional training	• Basic knowledge and basic technologies by division		
Floor staff	Fresh food preparation training	• Training for acquisition of each skill		
	Step-up training	• Management fundamentals, learning of skills required as managers		
Floor managers	New manager training	• Management skills necessary for sales area management, numerical analysis, personnel training		Floor manager conferences
	Fresh food preparation training	• Confirmation and learning of key category skills		
	Step-up training	• Division management, learning of skills required as division managers		
Division managers	New manager training	• Knowledge necessary for store management, management	Division manager conferences	
	Step-up training	• Division and store management, learning of skills required as store managers		
Store managers	New manager training	• Basic knowledge about the company, store operation from a management perspective	Store manager conferences	
	Store manager school	• Problem solving + HR development		
	IY management school (YogaJuku)	• HR utilization + strengthening of organizational capabilities		

## Establishment of Training Facilities

Seven & i Holdings established the Ito Training Center in Yokohama, Kanagawa Prefecture in 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 training rooms for personnel that handle fresh produce (including delicatessen items, fresh fish, sushi, fresh meat, and other types of produce) cash register practice rooms, and display practice rooms with replicated 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

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Seven & i Holdings implements “Seven & i Career Challenge System.” It is an annual open recruitment system for human resources that encompasses all of its group 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 group 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 Ito-Yokado, 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 29, 2020, 259 people applied through this system and 15 were appointed to their preferred positions or jobs.

We will further enhance the conditions that raise employees' motivation and allow them 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

Seven-Eleven Japan 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 evaluate the status of management of employees by managers. Employees respond to a total of 20 questions (five questions in each of four categories: integrity, 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

Ito-Yokado 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, Ito-Yokado has a program enabling part-timers to choose from diverse working styles. Under this system, part-timers may choose 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 29, 2020), 180 part-timers have become monthly salaried permanent employees. In January 2020, an ex-part-timer became a store manager for the first time.

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 Ito-Yokado 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.

### Ito-Yokado's 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 actions 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 from 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 day offs 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 conducting 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 Japan)
- 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.

In March 2020, this initiative was highly rated and six Group companies - Seven & i Holdings, SEJ, Sogo & Seibu, YB, Seven & i Food Systems, and York Mart - were recognized in the 2020 Certified Health and Productivity Management Organization White 500 held by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaiji.



2020 Certified Health and Productivity Management Organization Certificate

## 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	FY2019	March 31, 2023 Target
	Male	34.6%	35.5%	37.6%	38.5%	28% or less
	Female	25.0%	25.6%	26.8%	27.6%	18% or less
2. Reduce smoking rate	Overall Employee Smoking Rate*1					
		FY2016	FY2017	FY2018	FY2019	March 31, 2023 Target
	Overall	31.3% (Male: 42.8%, female: 23.0%)	30.3% (Male: 41.3%, female: 22.7%)	29.3% (Male: 39.7%, female: 21.8%)	28.1% (Male: 38.0%, female: 21.2%)	20% 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

## 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 29, 2020

	Seven & i Holdings.	Seven-Eleven Japan	Ito-Yokado	Sogo & Seibu	York-Benimaru	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency	0.00	0.54	1.37	0.69	3.58	1.18	0.33	0.00
Workplace accident severity	0.00	0.01	0.03	0.01	0.01	0.02	0.03	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,. The survey is conducted once every two years, and the next survey is planned for the second half of the fiscal year ending February 28, 2021.

#### 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."

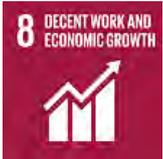
### Promoting Improvement Activities

The results of the employee engagement survey 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 2020 has approximately 52,000 members in 11 unions and a participation rate of 70.7% (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 labor 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 working conditions and employees' workplace environments.

For example, at Ito-Yokado, the treatment system and labor conditions for union members and employees are proactively discussed. Consultations between labor and management are considered valuable for solving issues and improving productivity. Promotion of recent workstyle reform is an example of collaboration between labor and management, and Ito-Yokado is taking steps to ensure that working rules are understood by everyone, promote the use of holidays/day-offs 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 whom 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

As of February 29, 2020, Ito-Yokado and Sogo & Seibu provide maternity and childcare consultation offices at 108 stores and Pre-Mama Stations at five stores. 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, a water heater for milk formula, and toilets for children.



Childcare consultation office

#### Number of Ito-Yokado Childcare Consultations (Users)

FY2015	FY2016	FY2017	FY2018	FY2019
237,336	246,060	245,988	239,934	224,552

## Childcare Support Events

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Ito-Yokado holds various events to provide childcare advice and encourage mutual interaction between guardians. 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 provides an opportunity to observe the food processing operations and to practice stocking the shelves in the store with products. Around 7,000 elementary and junior high school students participate each year. Ito-Yokado also conducts workplace experience programs at its stores where each year around 9,000 children and students participate. They come up with their own proposals by making product coordination, and suggestions for customers through in-store sampling, while experiencing firsthand the importance of complying with basic standards to ensure safety and confidence.

In addition, 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 children and students from 120 schools in the fiscal year ended February 29, 2020.

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, Seven-Eleven Japan 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 29, 2020, 2,223 children participated in the store and learned about the joy and challenges of working through customer service and retail sales.



Shinagawa Student City

## Outreach Classes for Company-School Exchange

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Seven-Eleven Japan 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 strategy: Customer Relationship Management Strategy

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

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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

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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 nine times at Denny’s restaurants in the fiscal year ended February 29, 2020. 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.



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



Dietary education class

## Donating Shoes to Children in Zambia

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Sogo & Seibu works with the Japanese Organization for International Cooperation in Family Planning (JOICFP)\* on a project for sending pairs of 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 29, 2020, Sogo & Seibu had sent about 950,000 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

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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 60 White Ribbon Campaign Vending Machines at locations throughout Japan (Akachan Honpo 44 machines, Sogo & Seibu 16 machines) as of February 29, 2020. 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

Seven & i Holdings believes that the Group has an important role to play in providing socially and environmentally responsible products and services to its customers, thereby helping to build an ethical\* society.

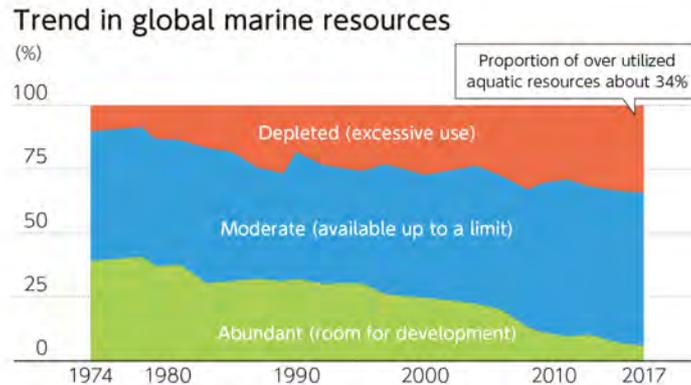
In every process from procuring raw materials to delivering products to customers, Seven & i Holdings believes that it must not only comply with laws and regulations, but it must also supply valuable products that show consideration for society and the environment. This will contribute to improving the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



## Heightened Interest in the Social and Environmental Impact of Supply Chains

Modern slaves are individuals forced into labor, trafficking, sexual exploitation, forced marriage, etc., and it is said that there are about 40 million slaves throughout the world. According to studies, about 70% of these slaves are women, with children accounting for 25%\*. Against the backdrop of a multitude of social issues like these around the world, an increasing number of consumers are seeking to purchase goods produced through fair trade practices. With a heightened awareness of ethical consumption, it has become crucial to build sustainable business models across the entire supply chain.

\* Source: Global Slavery Index 2018



## 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 Supply Chain Subcommittee examine the theme of "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 Director and Managing Executive Officer Head of the Corporate Development Division, Seven and i Holdings.

## 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 promoting initiatives in cooperation 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 have been requested to understand and observe. Furthermore, in December 2019, these were revised to form the Seven & i Group Business Partner Sustainable Action Guidelines. 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 fulfil 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 Sustainable Action Guidelines (Excerpt)

1. Respect and Protection of Human Rights
2. Legal Compliance
3. No Child labour and Protection for Young Workers
4. No Forced Labour
5. Payment of Living Wages
6. Elimination of Abuse, Harassment, Discrimination and Punishment
7. Employment and Protection of Workers
8. Preservation of Global Environment
9. Prevention of Confidential Information Leakage and Information Management
10. Management of Personal Information
11. Quality Control and Ethical Response
12. Relationship with Local and International Communities
13. Anti-corruption and Fair Business Practices
14. Protection of Intellectual Property
15. Export and Import Management
16. Development of Internal Reporting Systems
17. Disaster Preparedness
18. Development into Supply Chain
19. Monitoring

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

## Promoting the Seven & i Group Business Partner Sustainable Action Guidelines

Seven & i Holdings promotes the Group's Business Partner Sustainable Action Guidelines in accordance with the spirit of trust 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, Seven & i Holdings seeks business partners' understanding of these Guidelines, and promotes effective and sustainable activities. In addition, with understanding, awareness, and practice of the Seven & i Group Business Partner Sustainable 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 Sustainable 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 Seven & i Group Business Partner Sustainable Action Guidelines and the Quality Policy

Of the business partners contracted for the manufacture of private brand products, Seven & I Holdings conducts local briefings about the Partner Action Guidelines and related policies for those in China and Southeast Asia, 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 (94.9% participation rate\*<sup>1</sup>). 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 (94.4% participation rate\*<sup>2</sup>).

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

\* 1 Percentage of business partners participating in the briefing session from among those subject to a CSR audit in FY2018 (overseas)

\* 2 Percentage of business partners participating in the briefing session from among those subject to a CSR audit in FY2019 (overseas)

### 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 the 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 for Business Partners

Seven & i Holdings conducts compliance training 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 Sustainable Action Guidelines, ILO International Labour Conventions, ISO 26000, labor safety laws and regulations of each country, facility management, awareness of 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, which handles CSR audits.

### 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 end of February 2020)**

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 Compliance Training for the Group Employees

The Seven & i Group holds CSR audit result reports and audit study seminars that are attended by the managers and staff of the departments in charge of product development and product purchasing. In addition, for the study seminars, we invited the audit manager of TÜV Rheinland Japan Ltd, our contractor for CSR audits, to use specific examples of information and laws pertaining to the country or region where the contracted manufacturing business partner is located.

MO.	Outlines	No. of participants
January 2019	Consumer Affairs and Fair Business Practices Subcommittee with executives of 28 Group companies <ul style="list-style-type: none"> <li>· Overview of CSR audits in 2018</li> </ul>	61
June 2019 (held twice)	CSR Audit Workshop	59
July 2019	Consumer Affairs and Fair Business Practices Subcommittee with executives of 28 Group companies <ul style="list-style-type: none"> <li>· Overview of CSR audits for the first quarter of 2019</li> <li>· Draft plans for 2020</li> </ul>	49
November 2019	Consumer Affairs and Fair Business Practices Subcommittee with executives of 28 Group companies <ul style="list-style-type: none"> <li>· Overview of CSR audits for the second quarter of 2019</li> <li>· Preparation for measures in 2020</li> </ul>	50
December 2019	Seven & i Group CSR Audits Report and Study Meeting <ul style="list-style-type: none"> <li>· Supply chain management and CSR audits results</li> <li>· Trends in supply chain management throughout the world and Japan</li> <li>· Report on the current situation of CSR audits in China</li> </ul>	79
January 2020	Consumer Affairs and Fair Business Practices Subcommittee with executives of 28 Group companies <ul style="list-style-type: none"> <li>· Overview of CSR audits for the third quarter of 2019</li> <li>· Plan for fiscal year ending February 28, 2021</li> </ul>	63
February 2020 (held 3 times)	New Business Partner Sustainable Action Guidelines study session CSR audit representatives from operating companies	19

## Collaboration with Human Rights and Economy-related Organizations

Seven & i Holdings is making efforts to gather and disseminate information on supply chain management in collaboration with human rights and economy-related organizations.

Main Activities:

- September 2019: Global Compact Network Japan

At GCNJ's Basic Seminar, we spoke about our Business Partner Action Guidelines and CSR audits.

- November 2019: OECD Advisory Board of Japan Business Federation and Corporate Behavior/ SDGs Committee, BIAC Japan representative

We participated in and gathered information from "Toward the Realization of a Sustainable Supply Chain in Asia: Promotion of International Cooperation for Responsible Corporate Behavior," which was jointly sponsored by the OECD, EU, Japanese government, and ILO.

- January 2020: Public interest incorporated association Council for Better Corporate Citizenship (CBCC)

We shared information at "Round-table Conference on Issues for Promoting CSR in the Supply Chain" held by CBCC.

## Conducting Business Partners' CSR Audits

The Seven & i Group conducts CSR audits for the purposes of ensuring the safety and reliability of products provided to customers, for achieving a society where sustainable growth is possible through pursuit of mutual benefit with our business partners, and to validate the promotion and effectiveness of the Seven & i Group Business Partner Sustainable Action Guidelines.

## Seven & i Group CSR Audit Category

The Seven & i Group's CSR audits are performed by an external third-party auditing organization based on our independently established CSR audit program (114 items in 16 categories). They are compliant with international treaties such as the ILO (International Labor Organization) Convention, which is a global standard, and ISO 26000, and they are based on the Seven & i Group Business Partner Sustainable Action Guidelines, protection of human rights, compliance with laws, occupational safety and health, environmental conservation, and so on.

### CSR Audit 16 Categories and 114 Items (Excerpt)

#### ■ 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 Sustainable 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, such as a passport, and freedom of movement must be assured.
- Workers may resign freely as they wish, after giving adequate notice.
- 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 made 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 or excessive noise. Heavy labor, 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.
- Documents detailing the labor conditions of workers, such as wage slips, information of labor recruiters, and contracts must be disclosed to workers.

#### ■ 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.
- Recruitment fees for workers to get a job must be borne by employers, not by the workers ("Employer Pays Principle") unless allowed by local labor law.

■ **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**

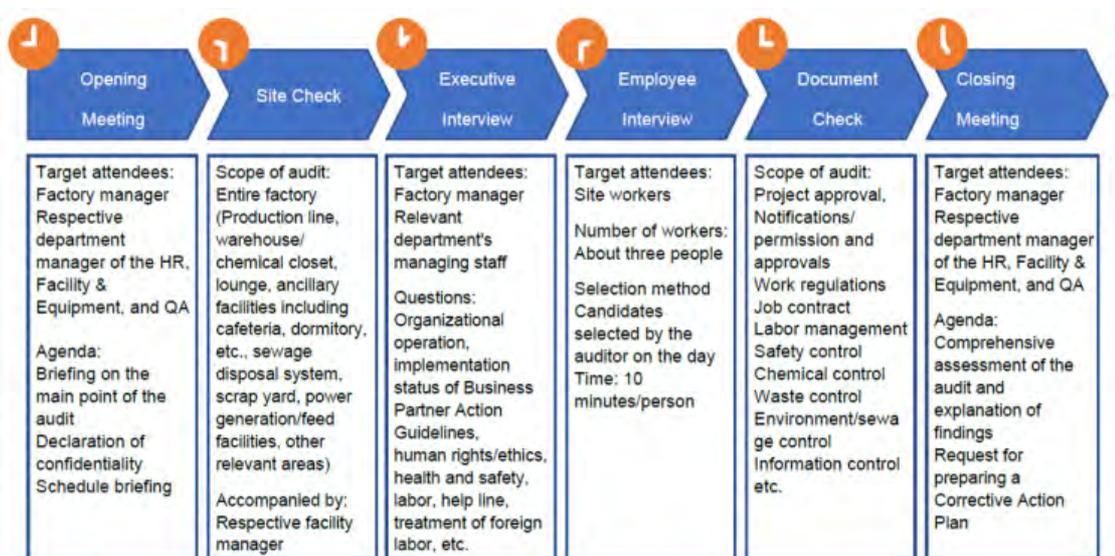
- Security systems must be in place to ensure protection from access with malicious intent.

■ **16. Interests of Local Communities**

- Relationships with anti-social forces must be rejected.

CSR Audit Process

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. Interviews with workers will be conducted by the auditor alone in a separate room to prevent instruction or retaliation from the employer. In principle, on-site audits are conducted on a daily basis from 9:00 a.m. to 6:00 p.m. However, we may extend the time so that we can receive and respond to questions from the factory. Any materials and images submitted at the time of the audit will not be leaked to external parties as per the confidentiality agreement.



## Confirmation of Corrective Actions after Audits

If the audit finds items that do not comply with the audit program (non-conformity items), the third-party 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 actions 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 (evidence), and other materials.

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

### ● Flow of Submission of the Corrective Action Plan (CAP)

(1) Report the cause of non-conformity and prepare a CAP: Submit the CAP to the auditor within 10 days

(2) Implementation of the corrective actions: Submit evidence to auditors within 90 days\*

(3) Appropriate CAP : Accepted by auditor → Confirmed and approved by Seven & i HLDGS.

→ Issuing a Certificate of Conformity

Inappropriate CAP : → Return

\* If no evidence of correction is submitted within 90 days of the completion of the audit, a re-audit (follow-up audit) will be conducted.

## Measures to Critical Major Non-Conformity

If Seven & i Holdings identifies any non-conformity with "Forced Labor", "Child Labor and Young Underage Workers", "Living Wages", or "Disciplinary Action" of the 16 audit categories listed above, Seven & i Holdings will classify them as "Critical 1 Major Non-Conformity", and advise its group's operating company, that has a contract with the factory in question, to stop business with it.

In addition, non-conformity with laws and regulations regarding any category of "Health and Safety", "Working Time", "Subcontracting Agreement", "Environment" or "Ensuring Product Safety" will be classified as "Critical 2 Major Non-Conformity". In these cases, Seven & i Holdings will notify its group's operating company that has a contract with the factory to reconsider continuing business with it.

In either "Critical 1" or "Critical 2", we will conduct a re-audit (follow-up audit) to confirm the corrective actions before continuing the business.

## CSR Audit Conformity Certification System

Seven & i Holdings will issue a Compliance Certificate to its business partners if the CSR audit finds that they are in compliance. When the unacceptable items are remedied or the third-party 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.



Certificate of Conformity

## Results of Business Partners' CSR Audits

The Seven & i Group contracts TÜV Rheinland Japan Ltd., a third-party organization, to conduct on-site audits on factories both overseas and in Japan.

### 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 Seven & i Group Business Partner Sustainable Action Guidelines at a selection of factories from among the business partners we have asked to submit self-check sheets that are defined as critical suppliers from the perspective of risk management. The CSR audits are performed annually.

\* 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.

### Number of CSR Audits (Overseas Factories)

Fiscal year	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020 Plan
No. of factories	17	28	328	226	245	215	274*1	304	Approx. 600*2

\*1 Since the number of re-audits was included in the 2018 audit results, it was revised to the number of factories.

\*2 In 2020, there is a possibility of a decrease due to the influence of the novel coronavirus (COVID-19).

The audit results for the fiscal year ended February 29, 2020 showed some form of legal infractions at 80.0% of factories, and corrective actions are being taken. Confirmed cases of non-conformity include those related to environmental response (80 cases), those related to working hours (76 cases), those related to equipment safety and maintenance (44 cases), and those related to overtime pay (42 cases), legal allowances (36 cases), and handling of chemicals (33 cases), and all underwent corrective action. In addition, no forced labor was confirmed.

Re-audits (follow-up audits) were conducted at 75 factories that were found to have serious cases of non-conformity or a large number of non-conformity cases.

## CSR Audits of Factories in Japan

Seven-Eleven Japan contracts a third-party organization to conduct CSR audits on some business partners in Japan using the same standards as the Seven & i Group CSR audits. This initiative began in the fiscal year ended February 28, 2017, and audits have been conducted on 87 factories as of February 29, 2020. Going forward, the supply chain will continue to be involved in the promotion of CSR.

For the appropriate handling of issues such as work style innovation for employees, employment of foreign workers, and global environmental conservation, Seven & i Holdings started to conduct CSR audits on factories in Japan contracted to manufacture private brand products (Seven Premium) in 2018.

Regarding the number of audits, tests were conducted at 50 factories in the fiscal year ended February 28, 2019, and audits were conducted for 327 factories (approximately 30% of total) from the fiscal year ended February 29, 2020. The audit results of the fiscal year ended February 29, 2020 showed some form of non-conformity at approximately 90% of factories audited, and corrective actions are being undertaken. There were no cases of non-conformity related to discrimination or forced labor with regard to foreign workers.

## Future Responses

### Contract Renewal and New Contracts with Business Partners

The Seven & i Group will continue to promote the Seven & i Group Business Partner Sustainable 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 maintaining and improving appropriate work environments for its business partners, 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.

## Operation of CSR Audits and Certification System

To our business partners who operate the contracted factories of our private brand products (Seven Premium) or those of the Group companies' private brand products in regions, which have high infringement risks of human rights and laws and regulations (mainly in China and Southeast Asia), Seven & i Holdings will continue to ask them to be CSR audited. We will also continue to share information on the progress of implementing the Seven & i Group Business Partner Sustainable Action Guidelines and support corrective actions.

- We issue a Certificate of Conformity to business partners based on the results of CSR audits and the status of corrective actions. In order to continue business with us, we will request partners to obtain the Certificate of Conformity.
- When starting a new business, we will ask potential business partners to understand and comply with the Seven & i Group Business Partner Sustainable Action Guidelines and start doing business only after they obtain the Certificate of Conformity of the CSR audit.

## 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.



### Working with Local Regions to Leave a Rich Natural Landscape to the Next Generation

Seven & i Holdings participates in Seven Forest creation activities run by the Seven-Eleven Foundation at 17 locations across Japan to help prevent global warming and contribute to the maintenance and conservation of biodiversity.

Seven Forest creation activities are carried out by employee volunteers from 7-Eleven franchised stores and locals under collaboration agreements with governments nationwide, NPOs, and others throughout Japan. In the fiscal year ended February 29, 2020, activities were held 25 times and a total of 3,153 people participated. In addition, encouraging greater use of wood materials collected from forest thinning activities can lead to solving issues with Japan's forests. Based on this, 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.

[> 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 29, 2020, in-store donations totaled ¥471,293,805 and around ¥133,402,934 was used to give grants to 289 environmental citizenship grant projects (including ongoing projects), which support environmental activities by local residents.

The Seven-Eleven Foundation, in cooperation with various organizations and based on the theme of restoring a rich natural environment, has continued its Seven Forest creation activities to protect the natural cycle of forests, riverside forests, and the sea and increase CO2 absorption and oxygen production. For our Mountain Forest Creation initiative, we carry out nurturing activities from tree planting to weeding and thinning, which leads to the conservation and regeneration of abundant forests. In addition, for our Creating a Forest in the Sea initiative, we are working to increase the amount of eelgrass, which purifies seawater and helps preserve biodiversity by absorbing CO2 in the sea and accumulating carbon. We have concluded agreements with governments and NPO corporations, and are working with 7-Eleven franchised stores and citizens with the goal of creating a rich natural environment where a diverse array of creatures co-exist with the local people.

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

## UMIGOMI Zero WEEK (the Sea Waste Zero Week)

Seven-Eleven Japan supports the Sea Waste Zero Week initiative promoted by the Ministry of the Environment and the Nippon Foundation, and in May 2019, conducted a cleanup activity in the Shonan Enoshima area. A total of about 100 member store owners, employees, and Head Office employees participate in this activity. We will continue to strive to create a beautiful community and conserve the environment through environmental beautification activities all over the country.



the Sea Waste 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 29, 2020, 14,679 trees were planted).



Green Wrapping



Employees carefully plant seedlings provided by the kindness of customers

## Sale of Rice Cultivated while Protecting 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 29, 2020, sales of Koshihikari Rice Nurturing White Storks provided approximately ¥30,000 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 ¥40,000 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

The Seven & i Group has established the Sustainable Procurement Policy that includes traceability, conservation of biodiversity, response to climate change issues, and consideration of human rights, and we have promoted initiatives with the aim of co-existing with nature as set forth in the GREEN CHALLENGE 2050 Environmental Declaration. In addition, in the GREEN CHALLENGE 2050, it is stipulated that we make 50% of food ingredients used in our original products (including Seven Premium) sustainable by 2030, and 100% by 2050.



### Approach to Marine Product Procurement

The Seven & i Group is working to sell products for which sustainability is guaranteed, such as those certified by the MSC\*, to pass on the rich blessings of the sea to future generations. Further, to fulfill our responsibility as a retail business that connects producers and customers, we are also focusing on conveying the value of these products and the producers' desires to customers through our stores and websites.

\* MSC : Marine Stewardship Council

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

<https://www.msc.org/en-us/>

### Sales of Products Certified by the MSC

Since October 2018, in the marine products under the Seven & i Group's Seven Premium private brand, eight cod roe products and 13 Karashimetaiko (salted cod roe with red pepper) products (as of February 29, 2020) certified by MSC\* have been sold at the stores of the Seven & i Group. These are natural marine products obtained through fishing practices that are friendly to marine resources and the marine environment and have passed management system inspection even for processing and distribution.



MSC-certified marine products



MSC label

## Sales of Products Certified by the ASC

At Ito-Yokado, York-Benimaru, and York, 5 products with ASC\* certification are being sold as marine products of the Group's private Seven Premium brand (as of February 29, 2020). ASC certification is conferred upon aquaculture companies that have shown consideration of their responsibilities to the environment and society.

\* ASC: Aquaculture Stewardship Council

An organization that administers and maintains an international certification system related to aquaculture.

<https://www.asc-aqua.org/>



Marine products with ASC certification



ASC label

## Sales of Products Certified by MEL

Ito-Yokado is the first major Japanese retailer to obtain MEL\* certification, a certification system for eco-friendly catching and cultivation of marine products. In April 2020, four original "Fresh Fish with Traceability" products—yellowtail, amberjack, red sea bream, and flatfish—were given the MEL symbol, and sales began at 155 Ito-Yokado stores nationwide.

Further, to convey the value of these certified products to customers, some stores have installed point-of-purchase ads in fish sections that explain the certifications.

\* MEL: Marine Eco-Label Japan

This marine product eco-label certifies fisheries and aquaculture producers that are actively managing fishery resources with consideration for their sustainable use and conservation of the environment and ecosystems, as well as businesses that process and distribute marine products from such producers.

<https://melj.jp/eng/>



Marine products with MEL certification



MEL label



Point-of-purchase ad that explains marine product certifications

## 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 29, 2020, Sogo & Seibu conducted in-store Alaska Seafood promotions at 12 stores to inform customers about the appeal of Alaska Seafood. Alaska Seafood products were also promoted as Ochugen (summer gifts) and Oseibo (winter gifts).

At Ito-Yokado, sales of red salmon and Sujiko (salted salmon roe) at food sections were strengthened.



Seven Premium Benizake no Shioyaki (salt-grilled salmon)

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

## Approach to Agricultural Product Procurement

The Seven & i Group is promoting the acquisition of GAP (Good Agricultural Practice) certification for safe farm and aptitude management to promote the procurement of sustainable agricultural products. We also procure certified ingredients, such as those produced with reduced use of pesticide and those made from organic and fair trade ingredients.

## Promotion of GAP Certification Acquisition/Sales of Reduced-pesticide Products

At Ito-Yokado's Seven Farms, which are engaged in recycling-oriented agricultural operations, and under Ito-Yokado's original Fresh Vegetables with Traceability and Fresh Fruits with Traceability products, Ito-Yokado aims to ensure safe agricultural produce, correct farm management, and so forth. Therefore, Ito-Yokado has recommended the acquisition of Good Agricultural Practice (GAP) certification. GAP 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 GAP includes standards relating to food safety and environmentally sustainable agriculture, these products use the minimum necessary level of agricultural chemicals.

Moreover, Ito-Yokado and York-Benimaru sell original products that use fewer agrichemicals than the values regulated by law. Examples include the original Fresh Vegetables with Traceability and Fresh Fruits with Traceability products sold at Ito-Yokado. 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 29, 2020 were approximately ¥22.8 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).



Fresh Vegetables with Traceability

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

1. These lines deal with only 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.

## GAP Initiatives (Excerpt)

### ■ Food safety (create and implement rules to maintain food safety)

- Measures for preventing and reducing pollution caused by heavy metals and mycotoxins derived from the environment
- Proper storage and use of pesticides, personal health and hygiene management of workers
- Safe storage and handling of agricultural machinery, etc.
- Prevention of foreign matter intrusion, storage methods for harvested crops, etc.

### ■ Environmental conservation (create and implement rules to protect the safety of farms and surrounding environment)

- Prevention of environmental contamination due to pesticides
- Appropriate soil management
- Proper waste/wastewater treatment methods
- Cutting down on unnecessary and inefficient energy consumption
- Creation of measures to mitigate damage due to harmful birds and wildlife, etc.

## Sale of Organic JAS-certified Foods

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Under the Seven & i Group's Seven Premium private brand, we sell organic JAS-certified products such as bamboo shoots and other agricultural products, as well as coffee and other processed foods. Ito-Yokado also sells organic JAS-certified products as original Fresh Vegetables with Traceability products.

## Sale of Certified International Fair Trade Products

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Under the Seven & i Group's Seven Premium private brand, we sell coffee beans and other products that have acquired International Fair Trade Certification, a system that supports the sustainability and diets of producers in developing countries.

## Palm Oil Procurement

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Palm oil is widely used in various processed foods as well as in household goods such as detergents, but problems have been indicated, such as destruction of the environment in countries where it is produced and the use of child labor and forced labor on farms. The Seven & i Group joined the Roundtable on Sustainable Palm Oil (RSPO) in January 2020 and is considering initiatives toward the use of sustainable palm oil.

## Approach to Procurement of Cotton

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In response to growing interest in products that are safe, secure, and environmentally friendly, the Seven & i Group has promoted the procurement of organic cotton for underwear and bedding as part of its sustainable procurement efforts. Starting February 2020, to convey the value of organic cotton to customers in an easy-to-understand manner, we started selling products with a common symbol displayed that satisfy certain conditions, such as being internationally certified through the American Organic Content Standard (OCS) or Global Organic Textile Standard (GOTS).



Organic cotton symbol 1



Organic cotton symbol 2

## Sale of Organic Cotton Products

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In December 2015, Seven & i Group started selling women's 100% Organic Cotton Innerwear products that have cleared strict organic production standards for the first time under the Seven Premium private brand. These products are sold at 127 Ito-Yokado stores throughout Japan (as of February 29, 2020) and the Group's integrated portal website, omni7. Only organic cotton that meets U.S. Organic Content Standards (OCS) is used as a raw material in these products.

We also sell bedding, such as quilt covers and pillowcases, and towels made of organic cotton.



Seven Premium Lifestyle 100% Organic Cotton Innerwear

## Approach to Usage of Forest Resources

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The Seven & i Group is making efforts to use wood and paper products produced from properly managed forests.

### Use of FSC®-Certified Paper

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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 29, 2020, FSC®-certified paper is used for 356 items including ice cream containers, and PEFC-certified paper is used 37 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 supervision of the Director and Managing Executive Officer Head of the Corporate Development Division, Seven & i Holdings.

### Social Contribution Activities Costs (Fiscal Year Ended February 29, 2020)

The social contribution activities provided by the Seven & i Group in the fiscal year ended February 29, 2020, 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 ¥1.662613 billion when converted into monetary terms. Of this total, cash donations were approximately ¥0.33 billion.

#### Social contribution activities costs in the fiscal year ended February 29, 2020

(Thousands of yen)

Category	Amount
Administration cost	1,060,485
Cash donations	333,860
Donation of goods	146,487
Personnel costs of employees participating in activities during work hours	100,339
Cost of providing access to company facilities	21,442
Total	1,662,613

### Social contribution activities cost in the fiscal year ended February 29, 2020



\* Total for Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York Mart, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, and Seven Bank (The sales of the nine companies account for 96% of the Group's sales in Japan.) Calculated based on Fiscal 2011 Key Points Regarding the Implementation of Social Contribution Activity Surveys by Japan Business Federation, "Keidanren." 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 five 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.  <a href="#">➤ Further details about shopping support can be found here</a>
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 Engagement 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. <b>■ Sample question:</b> I believe my company: <ul style="list-style-type: none"> <li>● Builds good relationships with local communities.</li> <li>● Conducts environmentally friendly business activities.</li> <li>● Is actively engaged in social contribution activities.</li> </ul> <a href="#">➤ Further details about the Employee Engagement Survey can be found here</a>

## 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, York, 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 29, 2020, donations for this storefront fund collection drive collected from customers and employees totaled ¥28,242,793.

### Fund Collection Results for the Fiscal Year Ended February 29, 2020

(Yen)

Implementation Period	Days	Fund Detail	Amount
March 1 to May 31	92	Fund to Support Children's Futures	3,777,856
June 1 to August 31	92	National Federation of All Japan Guide Dog Training Institutions	6,679,793
September 1 to November 30	48	Fund for Education of Children with Disability in Togo	2,856,625
(During the above period, September 13 to September 29)	17	Fund for 2019 Typhoon No. 15	2,863,631
(During the above period, October 16 to November 10)	26	Fund for 2019 Typhoon No. 21	7,022,442
December 1 to February 29	91	Fund to Support Reconstruction after the Great East Japan Earthquake	5,042,446

## 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 29, 2020 were ¥649.00 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.



## Social Contribution Activities through Donation of Products

Since August 2017, Seven-Eleven Japan 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, Seven-Eleven Japan 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 29, 2020, this initiative has been expanded to 28 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: ¥3,936,217 million (Total store sales)  
Number of stores: 9,682

[> More](#)

#### SEVEN-ELEVEN HAWAII, INC.



Net sales: ¥34,823 million  
Number of stores: 66

[> More](#)

\* Exchange rate USD1 = ¥109.03

\* Number of stores as of December 31, 2019

### Initiatives in China

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

#### Convenience Store Business

[> More](#)

#### SEVEN-ELEVEN (BEIJING)



Net sales: ¥26,859 million  
Number of stores: 275  
Established: January 2004

#### SEVEN-ELEVEN (TIANJIN)



Net sales: ¥4,781 million  
Number of stores: 178  
Established: November 2012

#### SEVEN-ELEVEN (CHENGDU)



Net sales: ¥4,517 million  
Number of stores: 75  
Established: December 2010

## Superstore Business

[> More](#)

### Chengdu Ito-Yokado Co., Ltd.



Net sales: ¥73,751 million  
Number of stores: 9  
Established: December 1996

### Hua Tang Yokado Commercial Co., Ltd.



Net sales: ¥4,882 million  
Number of stores: 1  
Established: September 1997

\* Exchange rate of CNY1 = ¥15.78

\* Net sales does not include value added tax

\* Number of stores as of December 31, 2019

# 7-Eleven, Inc.

## Reducing Environmental Impact

7-Eleven, Inc. (SEI) is committed to doing its part to reduce the company's impact on the environment. We recognize the importance of strategically investing in energy initiatives and sustainability programs that increase efficiency and reduce resource consumption and waste. In FY2019, the company continued to make progress, most notably exceeding its CO<sub>2</sub>e emissions goal ahead of schedule, by implementing sustainability measures that focus on energy conservation and efficiency.

【Environmental Goal】

Reduce CO<sub>2</sub>e emissions in stores by 20% by 2027\* (FY2015 baseline)

\* \* 2027 is SEI's 100th anniversary



## Collaboration with External Organizations

To enhance SEI's role as positive stewards of the environment, the company is a member of the Retail Industry Leaders Association's (RILA) Retail Sustainability Committee. The RILA Sustainability Committee is an industry-wide 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 Conservation and Reducing CO<sub>2</sub>e Emissions

SEI is committed to reducing energy consumption and improving efficiency and set a goal to reduce CO<sub>2</sub>e emissions in stores by 20% by 2027, compared with FY2015 levels. In FY2019, through its energy efficient measures, SEI reduced its CO<sub>2</sub>e emissions by 4.55 MTCO<sub>2</sub>e/1,000 Sqft year over year from FY2018 and by 12.43 MTCO<sub>2</sub>e/1,000 Sqft from FY2015. SEI reduced CO<sub>2</sub>e emissions by 28% from FY2015 to FY2019, exceeding its FY2027 goal eight years early. This is equivalent to greenhouse gas emissions from approximately 69,289 passenger vehicles for one year.

## Introduction of Low Global Warming Potential Refrigerant

In July 2019, SEI announced the adoption of Honeywell Solstice N40 (R-448A) refrigerant as SEI's standard for remote condensers supporting their refrigeration cases installed across the U.S. and Canada. Solstice N40 is the most widely accepted, lowest global warming potential (GWP), nonflammable replacement for R-404A in stores globally. Based on hydrofluoroolefin (HFO) technology, Solstice N40 offers GWP that is approximately 60% lower than legacy HFC refrigerants like R-404A. In addition, Solstice N40 also consumes less energy. In the U.S. and European supermarket trials, in comparison to R-404A, Solstice N40 demonstrated an average of 5% lower energy consumption in low-temperature applications and between 5 to 15% lower energy consumption in medium-temperature applications.

## LED Lighting

SEI's LED lighting program is part of the company's energy-efficient store design standard and is a significant contributor to the company's CO<sub>2</sub> reduction goal. In FY2019, the company installed LED lighting in 689 stores. As of December 31, 2019, 7,002 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.

In addition to their energy-efficient benefits, LED lights eliminate the use of hazardous materials, comply with local regulations to reduce light pollution, support store safety measures and enhance the customer shopping experience.

## Heating Ventilation and Air Conditioning

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Heating and cooling efficiency is another effective measure SEI implements to decrease its overall energy consumption. In FY2019, SEI installed 1,042 energy-efficient HVAC units contributing to its store energy saving efforts. Between FY2008 and FY2019, 10,005 HVAC units have been installed, enabling stores to achieve an estimated energy savings effect of 7,000 kWh per unit, per year.

## Energy Management Systems

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SEI stores' energy management systems (EMS) 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 FY2019, the company installed EMS in 293 stores. Currently, 6,524 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

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In FY2018, while maintaining the company's commitment to existing energy conservation projects, SEI turned its focus toward renewable energy. SEI signed an agreement with TXU Energy to purchase 100 percent Texas wind energy for all its Texas stores located in competitive energy markets. 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.

In FY2019, SEI purchased 288,467 MWh renewable energy from TXU Energy and provided it to approximately 820 stores in Texas. This renewable energy program is expected to reduce SEI's carbon footprint by an estimated 13% while providing significant operating expense savings. 13% of electricity consumed by SEI is from renewable sources.



Wind turbines

## Conserving a Natural Resource

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SEI understands that efficient use of water helps reduce the demands on our water supply and preserve an essential natural resource. To reduce water consumption, SEI utilizes low-flow aerator faucets as part of our standard energy-efficient design plan for all new stores.

## Electric Vehicle Charging Stations

Electric vehicle fast chargers provide added convenience for electric-vehicle drivers and cleaner air for the surrounding community. In FY2019, as a test, SEI introduced its first electric-vehicle (EV) charging stations in the United States that it owns and operates under the 7-Eleven brand. SEI installed two ChargePoint Express 250 fast-charging stations at a 7-Eleven store in Pomona, California. The stations can deliver up to an 80% charge in about 30 minutes. Pairing the two stations provides more power to a single station and allows the two stations to share power. One station can charge two EVs at the same time when sharing power. Each station can deliver 62.5 kW of charge; when paired, the stations can provide 125 kW.

SEI partnered with Southern California Edison (SCE) for the installation. Through its Charge Ready program, SCE installs, maintains and covers installation costs for the EV charging infrastructure, while the participant owns, operates and maintains the charging stations. The 7-Eleven site is a part of ChargePoint's network of more than 33,000 EV charging locations in the United States and will be featured on the ChargePoint app, which enables EV drivers to locate their nearest station, get directions to the site and start the charging process from their smartphone. 7-Eleven began its EV program in FY2011 and now has a total of 16 EV chargers at 14 locations in California, Illinois, New York and Oregon.



Electric-vehicle (EV) charging stations

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

	2017	2018	2019
Number of stores	9,317	9,387	9,682
GHG emissions*1,2 (1,000t-CO <sub>2e</sub> )	1,017	961	819
CO <sub>2</sub> emissions*1,2 (1,000 t-CO <sub>2</sub> )	1,012	959	817
Electricity consumption*1(GWh)	2,430	2,383	2,306
Water usage*1(1,000 m <sup>3</sup> )	16,456	11,365	10,892

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

\*2 Audited by a third party

## Eco-friendly Packaging

Packaging protects the quality and safety of products, provides information about ingredients, and adds convenience. 7-Eleven is working to reduce the environmental impact of proprietary packaging by using eco-friendly materials and reducing packaging materials.



### [Packaging Goal]

100% of private brand packaging eco-friendly by 2027\*

\*2027 is SEI's 100th anniversary

Through its proprietary products, SEI seeks to offer premium products at a value while switching to environmentally-friendly packaging. In 2016, SEI set a goal to shift to eco-friendly packaging for 100% of 7-Eleven private brand products by 2027.

SEI's eco-friendly packaging solutions include using materials that are made from renewable or recycled content or are compostable or recyclable. Materials include post-consumer or post-industrial recycled or plant-based content. Whenever possible, the company reduces packaging without compromising product quality or safety. As of December 31, 2019, 72.3% of SEI's proprietary packaging is eco-friendly.

## FY2019 Key Initiatives

### Using Plant-based Materials for Straws

To reduce plastic use and appeal to eco-conscious consumers, in FY2019 SEI fully transitioned from its everyday polypropylene plastic straws to a new plant-based plastic, eco-friendly fountain straw, ending petroleum-based plastic straw use for cold dispensed beverages.

SEI's new poly-lactic acid (PLA) straws are environmentally friendly, 100% compostable, and are the sustainable alternative to polypropylene plastic straws. The PLA material used to make the straws is made from corn and other related source materials and is certified compostable by the Biodegradable Products Institute (BPI). The straws are individually wrapped in paper, so the entire product is compostable and biodegradable. These fountain and Slurpee® drink straws meet state requirements for the replacement of plastic-polypropylene straws. SEI is one of the largest and earliest retailers to transition completely PLA straws in the United States. In addition to providing an eco-friendly solution to plastic, PLA straws offer a better customer experience and a lower cost over paper straws. SEI is also assessing plant-based options to replace plastic stir sticks and utensils.



Poly-lactic acid (PLA) straws

## Using Recycled Materials in Plastic Bags

To further SEI's sustainability measures, in FY2019 the company tested a new eco-friendly plastic bag made from 40% post-consumer recycled plastic. A pilot trial to test the bag's performance and consumer experience was conducted in select areas. After a successful test period, the bag was approved for national rollout in FY2020. Using 40% recycled plastic content helps reduce the company's environmental footprint by reducing the consumption of raw materials, energy consumption and carbon emissions in processing, and the amount of consumer waste and plastic going into landfills.



A plastic bag using 40% recycled plastic

## Reducing Packaging and Using Sustainable Materials

In FY2019, SEI redesigned and rolled out a new pizza box to improve packaging performance and increase its sustainability. The new hexagonal design reduced the size of the box and consumption of paperboard by 6.25%. In addition, to reducing materials, the box is 100% sustainable, made from corrugated cardboard certified by the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI). The FSC promotes responsible management of the world's forests. Their certification process tracks the chain of custody of the wood fibers used in the making of paper products to sustainable forests. The SFI is the nonprofit leader in sustainable forestry through its work in standards, conservation, community, and education. SEI is also assessing its hot beverage cups, evaluating options such as a double-wall paper cup to eliminate cardboard sleeves.



A hexagonal design pizza box

## Eliminating Plastic

Seeking continuous improvements in packaging led to additional progress in eliminating or reducing plastic. SEI replaced its large chicken wings box with a lightweight paper corrugate alternative. The switch to a paper-based container eliminated 745,000 lbs. of plastic. In addition, SEI introduced its next generation fountain cups that are lighter in weight using less plastic and 100% recyclable.

## Removing Environmentally-harmful Coatings

Perfluoroalkyl and polyfluoroalkyl substances (PFAS) are fluorine coatings applied to packaging surfaces to prevent moisture or grease from leaking through and are now considered harmful to the environment. SEI proactively began replacing affected packaging with alternatives like molded fiber clamshells.

## Sustainably-sourced Coffee

To provide high quality, environmentally-friendly products, in 2019 SEI continued to expand its sustainably-sourced coffee program with two Rainforest Alliance (RFA)\* Certified varieties—Seven Reserve® Sumatra and Seven Reserve® El Salvador. With the introduction of these two, limited-time brews, SEI has reached another milestone with its fresh-brewed coffee. More than half—56%—is now made from Rainforest Alliance Certified™ coffee beans.

\* The Rainforest Alliance is an international nonprofit organization that seeks to conserve biodiversity and ensure sustainable livelihoods. Carrying the Rainforest Alliance Certified seal with the little green frog means the 100% Arabica beans are sourced from coffee-growers whose farms must meet strict standards designed to protect the environment, conserve wildlife and promote the well-being of local communities.

### Seven Reserve™ Sumatra

The ethically-sourced Kinara Sumatra Mandheling blend is SEI's first Rainforest Alliance Certified™ coffee from the Asian-Pacific region, and the company's sixth brew to carry the RFA seal. The beans are grown by the Rahmat Kinara co-op of small-holding farmers in the volcanic highlands of Sumatra, the sixth largest island in the world.

### Seven Reserve™ El Salvador

El Salvador Bourbon Single Origin premium coffee is SEI's first coffee to be sourced directly from independent family farmers. El Salvador Bourbon is SEI's seventh brew to carry the Rainforest Alliance Certified™ seal.

Since the fiscal year ended February 28, 2017, SEI has introduced a total of seven Rainforest Alliance Certified coffees—all responsibly grown—from Nicaragua, Mexico, Peru, Sumatra, El Salvador, and Colombia, as well as an African blend from Ethiopia and Rwanda. Single-origin 100% Colombian Rainforest Alliance Certified coffee is a permanent offering and top-seller on the hot beverage bar.



Seven Reserve™ Sumatra



Seven Reserve™ El Salvador

## 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.



## Developing Youth Through Education

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The Project A-Game program is a community outreach program created to provide meaningful youth development opportunities through education and play, so children establish a strong foundation that supports their future success.

Franchisees and corporate store leaders contribute to youth development in their communities by applying for grants to support local schools, youth sports organizations, law enforcement agencies and community organizations. Grants, which are jointly funded by local franchisees and SEI, help provide critical funding for academic, fitness, safety or hunger relief programs for youth. In FY2019, SEI and its franchisees awarded more than 500 Project A-Game grants to over 420 organizations, a community investment of approximately \$400,000 that impacted nearly 160,000 children. Since its inception, SEI and its franchisees have awarded more than 4,650 grants, a community investment of almost \$3 million. Grants have been used to underwrite initiatives including math and science projects, tutoring, school supplies and sporting equipment to ensure children have the resources and inspiration they need to stay in school.



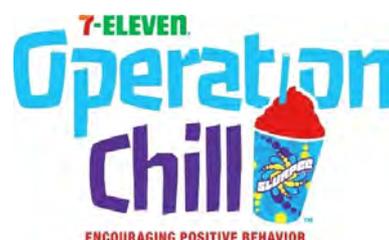
## Encouraging Positive Behavior

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Police departments across the country count on local residents to help them do their jobs and keep neighborhoods safe by observing their surroundings and reporting when things seem amiss. To do that, it is important that officers start building positive relationships with citizens early, even when they are kids. For 24 years, SEI and its popular Operation Chill® program have been doing just that.

Operation Chill is SEI's longest-running and most popular community outreach program that recognizes kids for good behavior. It is also designed to help reduce crime and enhance relations between police and youth. Each year, through Operation Chill, SEI works with law enforcement agencies across the United States and Canada to distribute free Slurpee® drink coupons to kids found doing good deeds or exhibiting positive behavior. Examples of rewarded behavior might include helping another person, following safety and traffic laws, or taking part in a community- or police-sponsored event. In addition to encouraging positive behaviors, Operation Chill provides opportunities for officers to establish a connection with kids in a neighborhood.

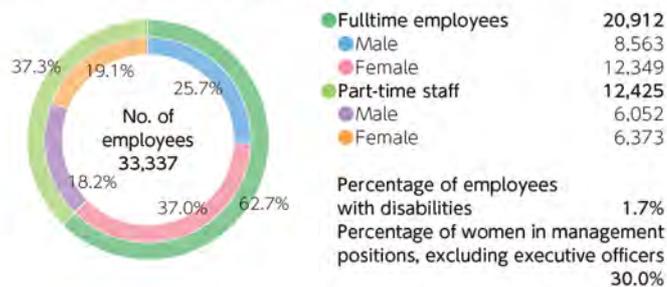
Each coupon is good for a free small Slurpee® drink redeemable at 7-Eleven stores. During FY2019, SEI issued over 1.4 million Slurpee drink coupons to more than 1,100 law enforcement agencies. Coupons were distributed during the summer months and back-to-school season. Since the program's inception in 1995, Operation Chill has grown to include more than 1,100 local law enforcement agencies in the United States and Canada. Over 22 million coupons have been distributed to officers on the beat in cities and towns where SEI operates stores.



## 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 December 31, 2019)



## Initiatives of SEVEN-ELEVEN HAWAII, INC.

➤ [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.

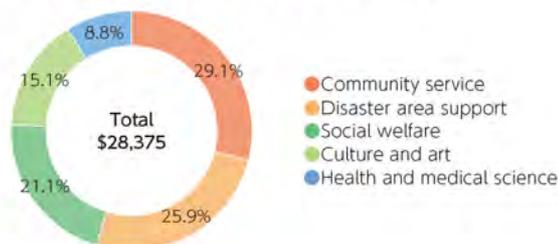
These values define SEH as a business for the community, for partners and for employees. The practice of Our Promise then becomes the cornerstone for the words and actions of employees.



## Thriving with Local Communities

As a good corporate citizen, SEH supports activities and NPOs involved with children, education, public welfare, and health. In FY 2019, the equivalent of approximately \$53,000 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 (FY2019)

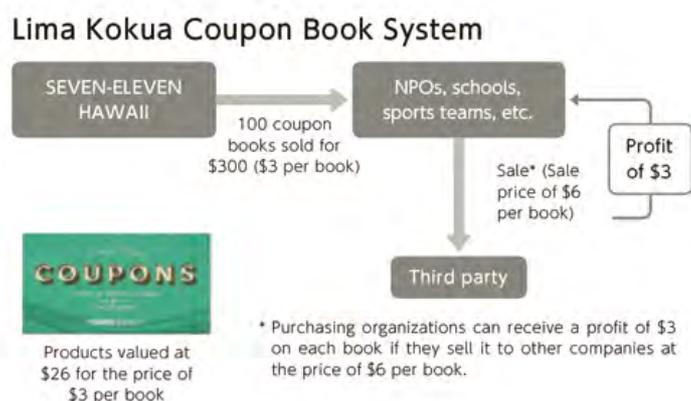


## Supporting NPOs through Storefront Donations

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 29, 2020, approximately \$83,878 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 29, 2020, 20 organizations used the system. Many of these were repeat orders, showing that the books have been popular.



## Contributing to Local Agricultural Education Through Localicious\* Hawai'i Program

Hawai'i Agricultural Foundation (HAF) launched Localicious Hawai'i in 2014 to raise social awareness in public schools of restaurants that are contributing toward sustaining local agricultural education. In 2015, the Hawai'i State Legislature declared the month of March to be Localicious Hawai'i month in support of the program. Throughout March, a portion of proceeds from menu items designated as Localicious dishes are donated by restaurants to HAF. These dishes must use at least one locally sourced ingredient. In this fiscal year, SEH participated twice with Chicken Pastele Stew and Gandule Rice Bento as Localicious dishes. These were the winning dishes in the bento competition for students held in the fiscal year ended February 28, 2019. These bento dishes use green bananas grown in local farms at Kunia on the island of Oahu. These health conscious, local home cooking dishes were very popular with customers, and we were able to support HAF's agricultural promotion policy through donations exceeding \$4,000.

\* the word is a combination of "local" and "delicious."

## Sponsoring Health Conscious Culinary Competition for Students

The culinary competition held in the previous fiscal by SEH together with the Culinary Institute of the Pacific through the introduction of Hawaii State Department of Health was very well received. SEH therefore hosted the competition again in the fiscal year ended February 29, 2020. Students took on the challenge of creating delicious dishes that are marketable and good for customers. Dishes competing in the competition must follow special guidelines. The most difficult rule is that the amount of salt, the conclusive factor for taste, must not be more than 10 grams. There are also many other rules, and the students created dishes filled with ingenious ideas.

In 2019, there were 13 entries from two community colleges, with eight finalists giving presentations after tasting by the judges. Kainoa Reloza won first place with his Sinigang Rice Noodle Soup, Brittany Soga came in second with her Chicken Hekka Long Rice Noodle, and the People's Choice winner was Ritchie Wong with his Mapo Tofu Udon.

## Support for Children

Starting November 11, 2019, SEH held its fourth "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 read all of the letters and fulfilled the wishes of about 50 selected letters. Three children among those who wrote especially outstanding letters were featured on a local variety show. One of them took the initiative and chose to pass his toys to others. Another chose to use his own free time to take care of small children and teach them to read the Bible. Finally, the third child chose to befriend a classmate with autism who was feeling left out. SEH gave the three children the presents they wished for. 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.

## Participation in Honolulu Habitat for Humanity Housing Repair Support Activities

In September 2019, 12 volunteers from SEH participated in the Team Build program organized by Honolulu Habitat for Humanity (HHH). Based on the belief that everyone should have a place to live safely and with dignity, HHH carries out activities to eliminate sub-standard housing in the region and the world through building, repairing, and maintaining housing. The 12 volunteers from SEH painted the exterior of houses and received great appreciation from the families of the owners. The volunteers who participated in this program felt happy at being able to contribute toward their local community.

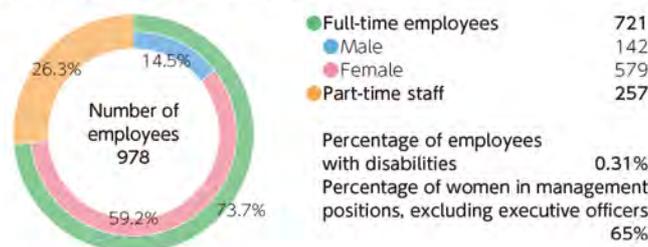
## Conduct of Skateboard Park Cleanup Event

In December 2019, SEH partnered Organic Amazon for a skateboard park cleanup event at Banzai Skate Park. During the cleanup, participants were able to enjoy music, drinks, and snacks, and SEH provided 7-Select cold pressed juices and bananas. Participants were also able to skateboard and watch the moves of top athletes. The event was well received.

## Diversity & Inclusion

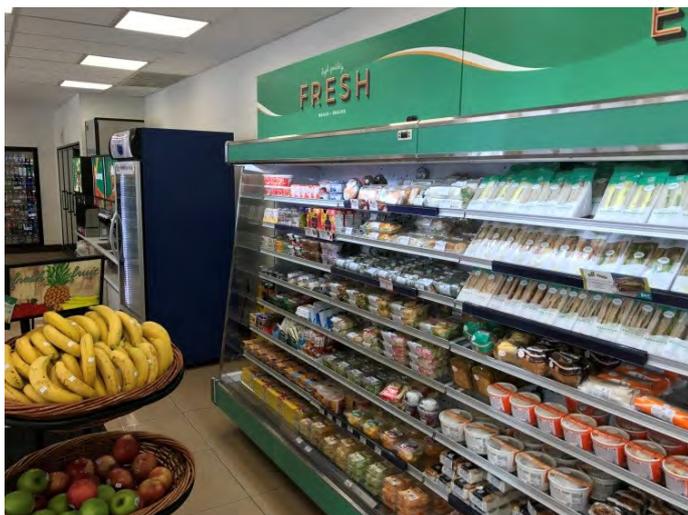
Hawaii is a region which is especially diverse in language, culture, education, age, and other factors. People across several generations have continued to accept mutual differences, appreciate each other, and share their stories. As a result, the Hawaiian culture was born with many unique things such as food, language, and festivals. Diversity and inclusion are established in SEH's culture and lives in all relationships whether in public spaces or at the workplace.

Personnel data of SEVEN-ELEVEN HAWAII, INC.  
(as of December 31, 2019)



## Reducing Environmental Impact

SEH has been working on an initiative named the Energy Smart Program, to reduce energy consumption, since 2012. In 2019, many stores replaced their ice cases. In addition, they are replacing old sandwich sales fixtures as they see an increase in the number of products for display. Despite these efforts, electricity consumption for 2019 was almost at the same level as the previous year.



Number of SEH Stores and Environmental Data Associated with Store Operations

	2016	2017	2018	2019	2020 target
Number of stores	63	64	64	66	65
Electricity consumption (MWh)	18,097	18,334	18,425	18,849	19,414
Water consumption (thousand m <sup>3</sup> )	46	47	51	50	51

## Plastic Countermeasures

Concerning 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

\* Airtight packaging that uses plastic packaging film that is shrunk by heat

## Major Awards and Recognition in the Fiscal Year Ended February 29, 2020

Recognition or Award Name	Award Sponsor	Reason
Hawaii's Best Spam Musubi	Star Advertiser	Voting by readers
Hawaii's Best Bento	Star Advertiser	Voting by readers
Honolulu Magazine's Best Musubi	Honolulu Magazine	Voting by readers

## Initiatives in North America

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

# Chinese Convenience Store Business

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## Providing Safe and Reliable Products

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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

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For the Group's private-brand products in China, strict standards are applied in selecting ingredients, and processing factories 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 factories producing only the Group's products by incorporating international food safety management systems and measures implemented at factories in Japan. Beijing Wang-Yang Foods and JEANAVICE factories, which are dedicated factories 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 factories acquired HACCP\*1 certification in March 2017, while Beijing Wang-Yang Foods acquired it in March 2018. SEVEN-ELEVEN (CHENGDU) also requests its business partners to meet its own standards which are even more stringent than domestic laws and regulations. At the same time, it regularly conducts workshops regarding quality management for its store employees, striving to ensure safety and reliability.

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 factory 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.

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

## Giving Consideration to Health

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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), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU). 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 daily food products. Furthermore, SEVEN-ELEVEN (TIANJIN) plans to sell products such as boxed lunches—including cereal rice—and salads using abundant amounts of vegetables under the theme of health from the second half of the fiscal year ending February 28, 2021.

## 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 order to grasp changes in customer needs and reflect them in products, SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (CHENGDU) conduct periodic customer surveys. The three companies have been conducting training to further improve the customer service provided by employees. In the fiscal year ended February 29, 2020, SEVEN-ELEVEN (BEIJING) conducted customer service education—with the regional person-in-charge as lecturer—for all persons in charge of night shifts at its stores. In the same fiscal year, SEVEN-ELEVEN (TIANJIN) conducted training 10 times, with 72 participants from 41 stores learning about the importance of customer service, dealing with customers at cash registers, and other issues based on actual cases studies. Employees who passed the test were also given “Customer Service Star” badges. Since the fiscal year ending February 28, 2021, SEVEN-ELEVEN (CHENGDU) has adopted a training program to improve the level of customer service. Trainers visit stores and evaluate employees’ customer service and other aspects with scores from 0 to 100, and stores with issues undergo focused training. Improvement is being sought through the entire cycle of providing feedback on evaluation.

In addition, 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.



Education conducted at SEVEN-ELEVEN (TIANJIN)

## Thriving with Local Communities

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) each 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. In the fiscal year ended February 29, 2020, a total of 100,996 yuan was donated and 50 employees conducted tree planting activities in the suburbs of Beijing.

### Donation amounts

FY2017	FY2018	FY2019
126,434 yuan	108,974 yuan	100,996 yuan

## 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 29, 2020, volunteer employees visited the facility in December to participate in a fun event, putting on performances and playing games with the children. In addition, the employees provided daily essentials and other presents.

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

FY2017	FY2018	FY2019
1,826 yuan	1,992 yuan	2,000 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. SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) seek to raise the communication abilities of employees and develop them to be able to think and act by themselves. 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 (FY2019)

	SEVEN-ELEVEN (BEIJING)	SEVEN-ELEVEN (TIANJIN)	SEVEN-ELEVEN (CHENGDU)
Full-time employees (Men/Women)	491 (246/245)	208 (76/132)	528 (183/354)
Part-time staff	774	97	296
Percentage of employees with disabilities	2.40%	2.30%	1.32%

## Supporting development of employee abilities

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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. 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. In the fiscal year ended February 29, 2020, SEVEN-ELEVEN (TIANJIN) revised the AFC evaluation criteria and introduced a mechanism for quantitative evaluation. The existing qualitative evaluation was changed with clear standards for each evaluation item—such as communication skill—and evaluation is carried out using scores.

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.

In addition, SEVEN-ELEVEN (CHENGDU) started a new training program for store managers in the fiscal year ended February 28, 2019 to teach skills such as analysis of business figures and computer operations necessary for work. In the fiscal year ended February 29, 2020, training—such as numerical analysis, employment development, and store management—was conducted 12 times for 50 store managers.



Training session

## Systems to Raise Employee Motivation

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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) and SEVEN-ELEVEN (CHENGDU) have 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. 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.

### 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

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SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN) and SEVENELEVEN (CHENGDU) 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. In addition, once each year, after self-assessments are carried out by each employee, 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. SEVEN-ELEVEN (CHENGDU) was reorganized in the fiscal year ended February 29, 2020 and changed its evaluation system. Starting from the fiscal year ending February 28, 2021, managers are being evaluated and interviewed every quarter, while non-managers are evaluated monthly. For managers who conduct evaluation, education is carried out so that they properly evaluate subordinates and develop human resources. For example, in the fiscal year ended February 29, 2020, SEVEN-ELEVEN (TIANJIN) conducted training using external lecturers.

## Promoting the Advancement of Women

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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 December 31, 2018, women currently occupy approximately half of the nonexecutive managerial positions at SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN) and SEVENELEVEN (CHENGDU). 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

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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 29, 2020, SEVEN-ELEVEN (TIANJIN) accepted 63 interns, of which 22 gained employment with the company. SEVEN-ELEVEN (CHENGDU) accepted 138 interns, with 19 of them becoming employees at the company.

## Reducing Environmental Impact

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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. In the fiscal year ended February 29, 2020, SEVEN-ELEVEN (BEIJING), which is subject to this program, saw overall CO2 emissions increased as a result of an increase in the number of stores and chilled cases, and consequently, the company purchased emissions credits for approximately 14,000 tons. SEVEN-ELEVEN (TIANJIN) and SEVEN-ELEVEN (CHENGDU) also reported higher electricity consumption due to an increase in the number of stores, new installations of refrigeration and freezer devices, and so on.



**Environment-related Data**  
**SEVEN-ELEVEN (BEIJING)**

	2015	2016	2017	2018	2019
Number of stores	187	219	247	266	275
Electricity consumption (MWh)	18,122	24,856	25,702	26,537	29,773
Water Consumption (1,000 m <sup>3</sup> )	75	96	83	85	94

**SEVEN-ELEVEN (TIANJIN)**

	2015	2016	2017	2018	2019
Number of stores	70	82	118	155	178
Electricity consumption (MWh)	5,278	7,027	10,077	14,814	20,051
Water Consumption (1,000 m <sup>3</sup> )	18	24	34	42	57

**SEVEN-ELEVEN (CHENGDU)**

	2015	2016	2017	2018	2019
Number of stores	60	67	87	77	75
Electricity consumption (MWh)	7,746	6,031	7,892	11,136	9,720
Water Consumption (1,000 m <sup>3</sup> )	24	18	24	25	24

## Energy Conservation Measures at Stores

All three companies—SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN) and SEVEN-ELEVEN (CHENGDU)—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, and conducting education to raise customer awareness. In the fiscal year ended February 29, 2020, SEVEN-ELEVEN (CHENGDU) installed LED illumination in Chinese steamed bun fixtures at 35 stores, and also ensures that lights and air conditioning are switched off when they are not needed. Through meetings and product exhibitions for Operations Field Consultants (OFCs), SEVEN-ELEVEN (BEIJING) shares information about being thorough in saving energy with OFCs and franchise store owners.



A curtain installed in a walk-in refrigerator

## Environmental Measures at Dedicated factories

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In order to avoid wasting resources, efforts are being made at Beijing Wang-Yang Foods, a dedicated factory of SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (TIANJIN), to utilize food loss generated by each factory as feedstock for a pig farm. Similarly, the JEANAVICE Factory has a contract with a fish farm to collect residual bread. Both factories 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.

Furthermore, to save energy, JEANAVICE Factory works to reduce thermal loss from boilers and reduce the consumption of gas.

## Initiatives in China

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

# Chinese Superstore Business

## Message from the 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 23 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 reliable foodstuffs, fashion that allows them to express themselves, highly convenient services that can make effective use of time, 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” (visibly safe) food products with particular attention to safety and taste, hygiene management systems in factories 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 the external environment, new services that make use of information technology are being created one after another. Therefore, we established an e-commerce company in Chengdu in 2017 to advance toward a retail business that integrates brick-and-mortar stores with the Internet. Furthermore, to fulfill our corporate social 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.



Ito-Yokado (China)  
Investment Co., Ltd.  
Hua Tang Yokado  
Commercial Co., Ltd.  
Chengdu Ito-Yokado  
Co., Ltd.  
Chairman  
**Tsugumi Ko**

## 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	¥73,700 million	¥4,800 million
Number of employees	3,073	183
Number of stores	9 stores (Chunxi, Shuangnan, Jinhua, Jianshe Road, High-tech, Wenjiang, Meishan, Huafu Avenue, Ito Plaza)	1 store (Asian Games Village)
Established	December 1996	September 1997
Chairman	Tsugumi Ko	Tsugumi Ko
President	Yoshinobu Emoto	Satoshi Osada
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, 2019.

\* Exchange rate of CNY1 = ¥15.60

\* 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, 2020 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

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### Quality and Freshness Management

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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 625 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 29, 2020, Chengdu Ito-Yokado audited its business partners 32 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 29, 2020, “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. For rice, Wuchang Daohuaxiang rice and Koshihikari rice, both sold in 1 kg packs, are sold. Fruits include Shine Muscat grapes and blueberries, while vegetables include cauliflower, purple cauliflower, tomatoes, and pumpkins. These products have proven popular as customer interest in food safety and reliability rises.

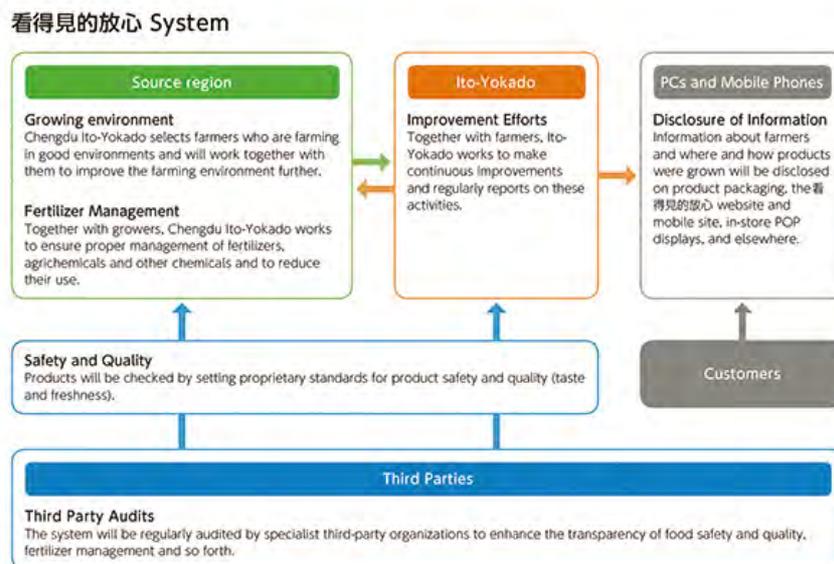
In the fiscal year ended February 28, 2015, Hua Tang Yokado Commercial started selling organic foods in cooperation with farmers by establishing rigorous food safety management systems and drawing up annual cultivation plans. In the fiscal year ended February 28, 2019, we began handling new hydroponic 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 twice 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 85 customers and received 124 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 1,800 customers living in our stores' neighborhoods to ask their opinions. In March, June, and September we conducted customer satisfaction surveys, asking for opinions from 34,384 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 29, 2020, Chengdu Ito-Yokado received 31,054 opinions and Hua Tang Yokado Commercial received 19,983. 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.



Handmade mini-fan event for families of quality supervision officers



Experiential event at brand shop

### Breakdown of Customer Feedback

#### Chengdu Ito-Yokado



#### Hua Tang Ito-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 2019 it has made 22 donations that have supported 616 students. In the fiscal year ended February 29, 2020, students studying Japanese at Sichuan University with excellent results were given 72,000 yuan in scholarship, and 20,000 was donated to the Department of Japanese. 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 less fortunate children. Company personnel visited the four schools and donated stationery 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 2019, a summer camp was conducted for 24 children from four schools, which included participation in tours to a television broadcasting tower and a wildlife animal museum, and workplace experience at Jianshe Road Store and Ito Plaza. On Children's Day, we visited Yu'ai Elementary School in Pujiang. Based on the school's request, we donated 10,000 yuan in books as well as monetary aid for children living in poverty. A total of 820,000 yuan was expended for social contribution activities in the fiscal year ended February 29, 2020.



Summer camp



Donation to an elementary school

## 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



Beautification efforts

## 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 99.5% at Chengdu Ito-Yokado and 97.8% 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 64.3% at Chengdu Ito-Yokado, with female store managers at six out of the 10 stores, and 65.4% at Hua Tang Ocado Commercial.

### Employee Data (As of December 31,2019)

	Chengdu Ito-Yokado	Hua Tang Yokado Commercial
Number of employees	3,073	183
Number of part-time employees	325	9
Ratio of Chinese employees in management positions	100%	99%
Ratio of women in management positions	64.3%	65.4%
Number of employees with disabilities	50	10

## CSR Education

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In 2018, Chengdu Ito-Yokado established a CSR action plan and moved toward implementation. During the fiscal year ended February 29, 2020, 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 “trust and sincerity” aspect of the Corporate Creed and the social requirement that we remain a trusted and sincere company.

## Self-Recommendation System

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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.

## Human Resource Development Programs

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Training programs have been enhanced to boost the motivation of local employees and enable them to demonstrate their abilities to the fullest.

In the fiscal year ended February 29, 2020, Chengdu Ito-Yokado conducted education on improving employees’ primary qualification capabilities and workplace operational skills as well as other functional curricula (form production, packaging, beef 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

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### Classroom Training

At China's Ito-Yokado, 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 courses taken by a total of 2,584 employees. Of this number, 149 were executives and 100 were recently promoted to supervisors. Internal instructors conducted classes with a focus on company policies, worksite execution capabilities, teamwork, and other topics.

### e-Learning

At China's Ito-Yokado, in order to standardize training for all employees, disseminate corporate policies in a timely manner, and develop human resources able to work autonomously, correspondence education was conducted 55 times in the fiscal year ended February 29, 2020. The details of the respective courses and number of times conducted are: 16 times on corporate culture and company policies, 15 times on management, 23 times on technical knowledge, and one time on fundamental education. A total of 15,484 persons (total of company employees and tenant sales staff)—including those from the Head Office and nine stores—participated in the correspondence education of China's Ito-Yokado, with 224,369 views as many employees actively undergo training to heighten their awareness.

## Promise Regarding the Environment

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### Energy-Saving Initiatives

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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. During renovations, stores switch to energy-saving illumination and increase the number of energy-saving 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.

Through comprehensive training and management—in particular on conserving electricity and saving energy—for the Head Office and store employees, Chengdu Ito-Yokado reduced electricity consumption per store to 98.6% and energy use per store to 86.8% compared to the previous fiscal year. In addition, water usage per store was reduced to 85.8% compared to the previous fiscal year through initiatives such as pasting water-saving stickers in the toilets of stores and displaying posters about saving water and electricity in back rooms.

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 toward reducing CO2 emissions, easing urban traffic congestion, and preventing noise and atmospheric pollution by cutting the number of delivery vehicles.

### Chengdu Ito-Yokado

	2017	2018	2019
Number of stores	7	8	9
Energy consumption (standard coal tons)	12,067	13,516	13,150
Electricity consumption (MWh)	83,110	89,743	99,836
Gas usage (1,000 m <sup>3</sup> )	670	670	667
Water usage (1,000m <sup>3</sup> )	965	884	853

### Hua Tang Yokado Commercial

	2017	2018	2019
Number of stores	1	1	1
Energy consumption (standard coal tons)	1,414	1,434	1,549
Electricity consumption (MWh)	7,189	7,241	8,106
Gas usage (1,000 m <sup>3</sup> )	380	350	380
Water usage (1,000m <sup>3</sup> )	125	41	60

## Award History (FY2019)

Chengdu Ito-Yokado and Hua Tang Yokado Commercial received the following awards in the fiscal year ended February 29, 2020, in recognition of its various initiatives.

### Chengdu Ito-Yokado

Names of Award	Presenting Organization
FY 2019 Wuhou District Outstanding Corporate Taxpayer	Wuhou District Government
Fiscal 2019 Top 10 Ranking of Modern Commerce & Trade Businesses by Taxes Paid	Wuhou District Government
FY 2019 Chengdu Labor Relations Good Role Model Company	Chengdu Human Resources and Social Security Bureau
FY 2019 Annual Top 10 Ranking of Retail Companies	Chengdu Retailers' Association
Contribution Prize, FY 2019 Chengdu Overall Commercial Evaluation Retailer	Chengdu Daily Newspaper
Word-of-mouth Service Prize, FY 2019 Mode Chengdu Overall Commercial Evaluation	Chengdu Daily Newspaper
Regional Commercial Value Prize (Ito Plaza), FY 2019 Mode Chengdu Overall Commercial Evaluation	Chengdu Daily Newspaper
Industry Leader, FY 2019 Samples China Chengdu Overall Commercial Ranking	Cover Media
Vitality Grand Prize, FY 2019 SINA Corporation Word-of-mouth Ranking	SINA Miniblock
FY 2019 Contribution Grand Award	Chengdu Charity Federation
FY 2019 Chengdu Corporate Social Responsibility Model Award	Chengdu Charity Federation

## Hua Tang Yokado Commercial

Names of Award	Presenting Organization
FY 2019 Class A Tax Payment Reliability Company	Chaoyang State Taxation Bureau
FY 2019 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](#)

## External Recognition and Awards

### Major Recognition Regarding CSR (As of December 31, 2020)

Seven & i Holdings has been selected as a component of the following ESG indexes.

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA

Dow Jones Sustainability  
Index: Member of DJSI Asia-  
Pacific.

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](#) 



FTSE Blossom  
Japan

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](#) 



CCC B BB **BBB** A AA AAA



MSCI ESG Leaders Indexes

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.

## Response to/Participation in External Organizations



The Seven & i Group supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB) to help investors properly assess climate-related risks and opportunities and make investment decisions. We are participating in the TCFD Consortium, which was established to promote efforts by Japanese companies and financial institutions that support the TCFD recommendations, and are studying better information disclosure and dialogue with stakeholders.

[> Further details about the TCFD can be found here](#)



To achieve the CO2 emission reduction target set forth as one of the priority themes of the Environmental Declaration "GREEN CHALLENGE 2050", Seven & i Holdings is participating in the international initiative "RE100", which aims to make the electricity used in business activities 100% renewable energy. In addition, this participation is supported by the Japan Climate Leaders' Partnership (JCLP), a corporate group aiming to realize a sustainable decarbonized society.

[> Further details about the RE100 can be found here](#)

### Major Awards in the Fiscal Year Ended February 29, 2020

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 measures being promoted by the Group as a whole and the active promotion of female employees to managerial positions were highly praised.	Seven & i Holdings
68th (FY2019) Nikkei Advertising Awards, Environment Category, First Place/ Minister of the Environment Award	Nihon Keizai Shimbun	The advertisement was highly rated as a declarative advertisement that promoted four themes in a concrete manner, including reduction in carbon dioxide (CO2) emissions and numerical targets for 2050, which were stipulated in the GREEN CHALLENGE 2050 Environmental Declaration.	Seven & i Holdings
PRIDE Index 2019 Silver Rating	Voluntary association "work with Pride"	Recognized for initiatives for sexual minorities such as LGBT individuals.	Seven-Eleven Japan
"2019 Yamanashi Energy-saving Smart Company Awards" Encouragement Award	Yamanashi Prefecture	The use of the "6 Material Items for Energy Conservation" to pursue energy conservation efforts at each store, including efforts made to save energy and combat global warming by introducing high-efficiency air conditioners and CO2 refrigerant refrigeration and refrigeration equipment, as well as the installation of solar power generators installed for self-consumption to reduce power consumption, received praise.	Seven-Eleven Japan

Recognition or award name	Award sponsor	Reasons for recognition	Recipient
Mothers Selection Awards 2019	General incorporated association Japan Mothers Association	Seven Premium Gold Bread, Seven Premium Seven Bread, and Seven Premium Shittori Bread were praised for their development, which focused on ingredients with attention paid to safety and security, and the fact that they are delicious and easy for children to eat.	Seven-Eleven Japan
Mothers Selection Awards 2019	General incorporated association Japan Mothers Association	The original "Water 99% Super Series" of products, which uses cosmetic technology to minimize preservatives, was praised for its use as baby wipes that can be used on newborns.	Akachan Honpo
KIDS DESIGN AWARD 2019	Specified non-profit corporation KIDS DESIGN ASSOCIATION	10/10 Totsuki Tooka wa Akachan no Hi, Akachan he no Kansha no Kimochi o Arawasou" and "Dress All Hadagi-tsuki" won awards in the category for designs that facilitate childbirth and raising children, while "Rinyuushoku Start Kara Zutto Tsukaeru Step Up Oshokuji Set" won an award in the category for designs that contribute to the safety and security of children. *Awarded for nine consecutive years (has received 25 awards in total)	Akachan Honpo
2019 Kanagawa Global Environment Awards	Kanagawa Prefecture Kanagawa Global Environmental Conservation Promotion Council	At family restaurants and other locations, we actively promoted improving the efficiency of air conditioners, water heaters, cookers, lighting, and other equipment, and we ascertained energy consumption at all stores and created a database to measure the effects of energy-saving measures, formulate equipment update plans, and so on. We were recognized for these efforts as well as for cutting our CO2 emissions in the fiscal year ended February 28, 2018 by 25% compared to the base year (FY 2012) by focusing on internal environmental education, such as by encouraging all employees to take external environmental certification tests.	Seven & i Food Systems
Contact Center Awards 2019, Operation Category Award	Ric Telecom, Call Center, Japan Editorial Department	The results of improved efforts to combine chatbots and RPA (automatic robots) were highly evaluated.	Nissen Holdings

➤ [Further information about the award history of the China superstore business can be found here.](#)

## Group Environmental Data

Challenges	Unit	FY2017	FY2018	FY2019
CO <sub>2</sub> emissions* <sup>1</sup>	t-CO <sub>2</sub>	3,209,689	3,241,084	2,975,951
scope 1	t-CO <sub>2</sub>	119,693	139,360	122,391
scope 2	t-CO <sub>2</sub>	3,089,996	3,110,724	2,853,560
Electricity consumption in store operations* <sup>2</sup>	GWh	6,728	7,125	6,979
Water usage in store operations* <sup>3</sup>	1,000m <sup>3</sup>	35,479	37,302	35,639

- \*1 Totals are for 12 companies: SEJ, IY, YB, York Mart, SHELL GARDEN, Life Foods, IY Foods, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Food Systems, and 7-Eleven, Inc. (Sales of these organizations cover 96.8% of the group's total sales.)
- \*2 For FY2017, totals are for 17 companies: SEJ, IY, YB, York Mart, SHELL GARDEN, Life Foods, IY Foods, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Food Systems, Barneys Japan, 7-Eleven, Inc., SEVEN-ELEVEN HAWAII, INC., SEVEN-ELEVEN(BEIJING), Chendu Ito-Yokado, and Hua Tang Yokado Commercial. From FY2018, totals are for 19 companies due to the addition of SEVEN-ELEVEN(TIANJIN), SEVEN-ELEVEN(CHENDU). (Their sales cover 98.3% of the group's total.)
- \*3 For FY2017, totals are for 12 companies: SEJ, IY, YB, York Mart, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, 7-Eleven, Inc., SEVEN-ELEVEN HAWAII, INC., SEVEN-ELEVEN(BEIJING), Chendu Ito-Yokado, and Hua Tang Yokado Commercial. From FY2018, totals are for 16 companies due to the addition of SHELL GARDEN, THE LOFT, SEVEN-ELEVEN(TIANJIN), SEVEN-ELEVEN(CHENDU). (Their sales cover 97.7% of the group's total sales.)

## Group Personnel Data (in Japan)\*<sup>1</sup>

Breakdown of number of employees (as of the end of February 2020) (persons)			
Full-time employees* <sup>2</sup>	24,895		
Male	18,118	73%	
Female	6,777	27%	
Part-time staff* <sup>3</sup>	46,583		
Male	9,461	20%	
Female	37,112	80%	
Number of employees (full-time employees + part-time staff)	71,487		
Male	27,579	39%	
Female	43,899	61%	
New graduate employees hired	815		
Male	455	56%	
Female	360	44%	
Mid-career employees hired	361		
Male	284	79%	
Female	77	21%	
Turnover (full-time employees)	1,358	5.5%	
Male	767	4.2%	
Female	591	8.7%	

	FY2017	FY2018	FY2019
Average length of service (full-time employees)	16 years 1 months	16 years 9 months	16 years 5 months
Male	17 years 5 months	18 years 0 months	17 years 5 months
Female	13 years 0 months	13 years 3 months	13 years 7 months
Number of full-time employees who took childcare leave* <sup>4</sup> (males), (part-time staff)	1,233 (10) (583)	1,205 (35) (547)	1,198 (37) (601)
Number of full-time employees who took nursing care leave* <sup>4</sup> (males), (part-time staff)	50 (10) (33)	54 (5) (38)	53 (9) (33)
Number of volunteer leave recipients	27	16	31
Percentage of female full-time employees	27.0%	27.1%	27.2%
Number of female managers (percentage)* <sup>5</sup>	2,781 (26.9%)	2,545 (27.2%)	2,422 (26.5%)
Team leader	2,012 (32.6%)	1,828 (32.8%)	1,709 (32.4%)
Section manager	695 (23.1%)	644 (23.1%)	616 (22.3%)
Division manager	74 (8.2%)	73 (7.3%)	75 (7.6%)
Corporate officer	24 (13.4%)	22 (12.5%)	22 (11.8%)
Percentage of employees with disabilities* <sup>6</sup>	2.66%	2.84%	2.96%
Percentage of paid leave taken	38.0%	45.5%	49.2%
Full-time employee turnover rate	4.5%	4.9%	5.4%
Male	3.8%	4.1%	4.3%
Female	6.5%	6.9%	8.3%

- \*1 Totals are for eight companies: Seven & i Holdings, SEJ, IY, YB, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, and Seven Bank. (The sales of the eight companies account for 94% of the Group's sales in Japan.)
- \*2 Data includes 1,289 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, YB, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, and Seven Bank. Values for FY2017 and FY2018 are percentages 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.

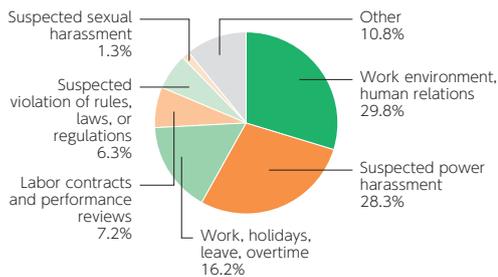
## Groupwide Data from Helplines for Employees

Seven & i Holdings has established the Groupwide Employee Helpline system with a third-party organization as a part of the groupwide internal controls to receive grievances and consultation requests from employees.

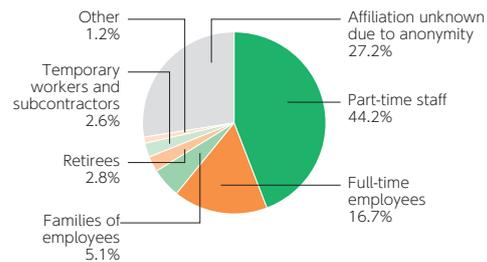
This system applies to both employees of Seven & i Holdings and those of consolidated subsidiaries in Japan. The groupwide system is working to proactively prevent, quickly discover, promptly correct and stop reoccurrences of any wrong behavior that would result in a loss of public trust.

	FY2017	FY2018	FY2019
Number of reports	1,047	1,226	1,208

Breakdown of reports by category for FY2019



By user category



# Seven-Eleven Japan Co., Ltd.

Website: <https://www.sej.co.jp/social/index.html> (in Japanese)

Number of stores as of fiscal year ended February 29, 2020: 20,916

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

### FY2019 Targets/Results and FY2020 Targets

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

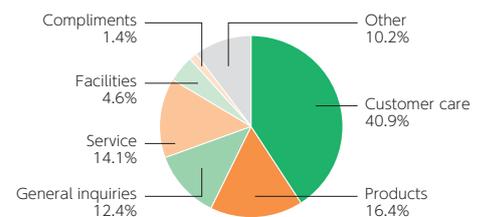
Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Supporting childcare and elderlies	<ul style="list-style-type: none"> <li>● Number of mobile stores: 120</li> <li>Continue implementing shopping assistance for customers who find it difficult to shop</li> <li>Aim to enter all areas across the country where stores are located</li> </ul>	<ul style="list-style-type: none"> <li>● Cumulative number of mobile stores: 102</li> <li>Opened new mobile stores as well as concurrently revised development area owing to changes in the environment</li> </ul>	△	<ul style="list-style-type: none"> <li>● Cumulative number of mobile stores: 108</li> <li>Revise development area and concurrently expand new areas while closely inspecting the development area</li> </ul>
Promoting regional development	<ul style="list-style-type: none"> <li>● Collaboration with web sites of 50 municipalities</li> <li>Strengthen comprehensive collaboration with administrative authorities to resolve social issues</li> </ul>	<ul style="list-style-type: none"> <li>● Implemented website collaborations with 49 municipalities to disclose U/I-turn initiatives and recruiting information. Continued to share information with the Recruiting Department</li> </ul>	○	—

## Providing Safety and Reliability through Products and Stores

### Data from Customer Support

The customer support is strengthening its stance of being close to customers as pointed out by customers. It strives to listen attentively to customers over the telephone 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 to prevent similar issues from occurring.

Breakdown of inquiries by category for FY2019  
Inquiries received: 187,394  
(up 6.5% from the previous fiscal year)



Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>● Complete certification of all dedicated factories for daily foods</li> <li>● For Seven Premium manufacturers, promote attainment of certification (completion by end of 2020)</li> </ul>	<ul style="list-style-type: none"> <li>● Acquired NDF-FSMS certification in accordance with JFS-B standards at all dedicated factories for daily foods</li> <li>● In private-brand products, 68% acquired certification</li> </ul>	<ul style="list-style-type: none"> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Aim to continue to maintain certification of all dedicated factories for daily foods and further enhance the audit program (equivalent to JFS-C standards)</li> <li>● Continuing to acquire certification of manufacturers of private-brand products (complete by the end of 2020)</li> </ul>
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> <li>● Stores newly adopting barrier-free design (installing wheelchair-accessible toilets): 550</li> <li>● Number of stores newly or additionally installed with guard pipes to prevent vehicle "dive" accidents: 500</li> </ul>	<ul style="list-style-type: none"> <li>● Stores that newly adopted barrier-free design (installing wheelchair-accessible toilets accessible): 542</li> <li>● Number of stores to have newly installed or expand guard pipes to prevent vehicle "dive" accidents: 1,117</li> </ul>	<ul style="list-style-type: none"> <li>△</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Stores newly adopting barrier-free design (installing wheelchair-accessible toilets accessible): 550</li> <li>● Number of stores newly or additionally installed with guard pipes to prevent vehicle "dive" accidents: 650</li> </ul>
Providing appropriate information				
	<ul style="list-style-type: none"> <li>● Improve the frequency of updating CSR website</li> <li>● Strive for information disclosure about CSR activities that is easy to understand through the CSR booklet "7-Eleven Mind Book"</li> </ul>	<ul style="list-style-type: none"> <li>● CSR news update frequency: 42 times (previous year: 33 times)</li> <li>● Updated as the "7-Eleven Mind Book" with the goal of facilitating easy-to-understand communication of Seven-Eleven's initiatives to stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● CSR news and CSR booklet update (Sustainability Book)</li> <li>● Endeavor to disclose easier-to-understand information on CSR activities</li> </ul>
Responding sincerely to customers' opinions				
	<ul style="list-style-type: none"> <li>● Work on ways to provide information such that customers can resolve inquiries on their own</li> <li>● Systematize the consolidation of issues pointed out by customers, and strengthen involvement of on-site staff so as to resolve problems even earlier</li> </ul>	<ul style="list-style-type: none"> <li>● Provided easy-to-understand product and campaign information through our website and customer support's FAQ</li> <li>● Continued to analyze content addressed in issues and provide to management in a timely manner</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Recognizing social issues should be solved through our business, we continue initiatives to address them by improving our products and services.</li> </ul>
Providing support for disasters				
	<ul style="list-style-type: none"> <li>● 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</li> </ul>	<ul style="list-style-type: none"> <li>● Requested local governments at the prefecture level to prioritize support at times of disasters to ensure effective support for local governments. There is leeway to improve operational organization therefore ongoing adjustments are necessary</li> <li>● In Planned and implemented training, including training for business partners, in FY2020</li> <li>● Provided assistance with relief provisions and support to local governments in Chiba Prefecture, Fukushima Prefecture, Ibaraki Prefecture and Kanagawa Prefecture after Typhoon Faxai and Typhoon Hagibis</li> </ul>	<ul style="list-style-type: none"> <li>△</li> </ul>	<ul style="list-style-type: none"> <li>● Verify recent disaster response (Typhoon Faxai and Typhoon Hagibis) and implement review of business continuity to fulfill infrastructure functions, including the continuation of store operations when disasters occur</li> <li>● Participate in disaster prevention drills conducted by the central and local governments, in addition to internal training, and fortify collaborations mainly through the exchange of information</li> </ul>
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> <li>● Achieve a participation rate for crime prevention drills and seminars of 50% or higher mainly by sharing information on crime prevention drills and seminars with prefectural police and local police stations</li> </ul>	<ul style="list-style-type: none"> <li>● 7,124 stores (35.2%) participated in crime prevention drills and seminars. In addition to conventional theft prevention training, implemented drills for special fraud prevention and other training by taking into account social conditions</li> </ul>	<ul style="list-style-type: none"> <li>△</li> </ul>	<ul style="list-style-type: none"> <li>● Plan to collaborate with prefectural police and local police stations to share information on training. Aim to achieve a participation rate for crime prevention drills and seminars of 50% or higher</li> </ul>

## Non-Wasteful Usage of Products, Ingredients and Energy

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Measuring appropriately the environmental impact				
	<ul style="list-style-type: none"> <li>● Achieve even more good points (high evaluation) than FY2018 by further pushing ahead with the EMS system based on ISO 14001</li> </ul>	<ul style="list-style-type: none"> <li>● Achieved highest number of good points (high evaluation) thus far since acquiring certification</li> </ul>	○	<ul style="list-style-type: none"> <li>● Further push ahead with the EMS system based on ISO 14001 and reduce the number of items pointed out (unacceptable items/improvement opportunities) versus a year earlier</li> </ul>
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>● Introduce highly energy-efficient LED illumination for 1,600 stores (total including new stores and replacement stores)</li> <li>● Expand the number of eco-friendly vehicles within the logistics' deliveries fleet to 1,110</li> </ul>	<ul style="list-style-type: none"> <li>● Introduced highly energy-efficient LED illumination for 1,119 stores (total including new stores and replacement stores)</li> <li>● Reduced CO<sub>2</sub> emissions from deliveries by 4.9% by introducing 2,105 eco-friendly vehicles</li> </ul>	△  ○	<ul style="list-style-type: none"> <li>● Introduce highly energy-efficient LED illumination for 1,350 stores (total including new stores and replacement stores)</li> <li>● Introduce 2,800 eco-friendly vehicles (45.0% of total fleet)</li> <li>● Trials to be conducted for EVs and FCVs</li> </ul>
Reducing waste and developing a circular economy				
	<ul style="list-style-type: none"> <li>● Reduce plastic bag usage per store to a level below FY2018</li> <li>● Food waste recycling rate: Achieve 50.0% or higher</li> </ul>	<ul style="list-style-type: none"> <li>● Plastic bags usage per store (937.3 kg)</li> </ul>	○	<ul style="list-style-type: none"> <li>● Reduce plastic bag usage per store to a level below FY2018</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>● Annual number of employees who pass the Eco Test: 1,000</li> <li>● Total cumulative number of employees who passed the Eco Test: 3,800</li> <li>● Inform those who take the Eco Test about environment-related volunteer activities</li> </ul>	<ul style="list-style-type: none"> <li>● Number of employees who passed the Eco Test: 850</li> <li>● A total of 3,683 employees passed the Eco Test</li> <li>● Informed those who had taken the Eco Test about environment-related volunteer activities</li> </ul>	△  △  ○	<ul style="list-style-type: none"> <li>● Annual number of employees who pass the Eco Test: 500</li> <li>*100% of managers passed</li> <li>● Inform those who take the Eco Test about environment-related volunteer activities</li> <li>● Raise awareness via CSR e-learning for all employees</li> </ul>

### Environmental Data

Challenges	Unit	FY2017	FY2018	FY2019
CO <sub>2</sub> emissions*1 *2 *3	t-CO <sub>2</sub>	1,672,443	1,578,963	1,501,795
CO <sub>2</sub> emissions from store operations (per store)*1 *3	t-CO <sub>2</sub>	1,449,109 (71.5)	1,350,259 (64.6)	1,281,810 (61.4)
CO <sub>2</sub> emissions from logistics (per store)*1 *4	t-CO <sub>2</sub>	220,357(10.9)	225,959(10.8)	217,811(10.4)
Electricity consumption in store operations (per store)*1 *3	GWh (MWh)	2,807(139)	2,888(138)	2,874(138)
Water usage in store operations*1 *5	1,000m <sup>3</sup>	13,198	13,749	13,176
Plastic bag usage per store (by weight)	t	0.88	0.95	0.94
Waste disposal (recycling rate)*6	t (%)	382,003(44.1)	366,920(57.8)	384,028(61.6)
Food waste recycling rate*7	%	54.3	54.4	42.5

\*1 The period of the calculations was from April to March.

\*2 This data represents CO<sub>2</sub> 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 CO<sub>2</sub> emissions stemming from the use of energy for distribution center operation and delivery trucks.

\*5 Revising the calculation method for estimating volume of water usage for stores for which water meter readings are confirmable.

\*6 Waste disposal and recycling rate excluding food waste. Calculations are based on estimated emissions by the stores in Tokyo, 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 across the Group and in Society

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Development of human resources				
	<ul style="list-style-type: none"> <li>●Conduct CSR e-learning for all employees</li> <li>●Conduct monthly compliance-related e-learning for employees working at stores</li> <li>●Raise awareness during regular training</li> </ul>	<ul style="list-style-type: none"> <li>●Conducted 4 e-learning lectures related to CSR targeting all employees</li> <li>●Conducted monthly compliance-related e-learning lectures for employees working at stores</li> <li>●Raised awareness during regular training</li> </ul>	<p>○</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>●Study support via e-learning lectures targeting all employees</li> <li>●Conduct monthly compliance-related e-learning lectures for employees working at stores</li> <li>●Raise awareness during regular training</li> </ul>
Implementing fair assessment and treatment of employees				
	<ul style="list-style-type: none"> <li>●Conduct continuous manager training for the further penetration and establishment of the evaluation system</li> </ul>	<ul style="list-style-type: none"> <li>●Conduct continuous manager training for the further penetration and establishment of the evaluation system</li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>●In addition to revise the system partially to develop and instill the evaluation system, aim to further instill and permanently establish the system and raise awareness through training and e-learning</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>●Review the system for staggered working hours to make it easier to use after listening to the opinions of employees</li> <li>●Encourage all employees to take long periods of leave, and create working environments where paid leave can be taken even more easily</li> </ul>	<ul style="list-style-type: none"> <li>●Implemented an online survey to gather employee opinions to ease terms of use based on said opinions</li> <li>●Encouraged all employees to take long periods of leave, and create working environments where paid leave can be taken easily, with the result that all employees took paid leave of five days or more</li> <li>(1) Number of days of annual paid leave: 12.9 days/employee</li> <li>(2) Annual overtime goal: 298.3 hours/employee</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>●Introduce a telework system to promote more diverse workstyles</li> <li>●Increase company scheduled holidays to better promote a rich work-life balance</li> <li>(1) Annual paid leave goal: 15.0 days/employee</li> <li>(2) Annual overtime goal: 270.4 hours/employee</li> <li>(3) Safety and health committees will disseminate information on preventing workplace accidents in advance quarterly</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>●Percentage of employees with disabilities: 2.2%</li> <li>Assign in-house job coach</li> <li>Expand system of in-house job coaching by specially-appointed employees so as to strengthen support for establishing employees with disabilities at the workplace</li> <li>System of 11 employees in FY2019</li> <li>●Percentage of female managers: 30%</li> <li>Expand "Spot Day Care" initiative</li> <li>Expand area of "Spot Day Care" to the whole of Japan so as to support employees working on holidays</li> </ul>	<ul style="list-style-type: none"> <li>●Percentage of employees with disabilities: 2.26%</li> <li>In-house job coaches</li> <li>Number of job coaches at the end of FY2019: 12</li> <li>●Percentage of non-executive female managers: 22.7%</li> <li>●Expanded "Spot Day Care" initiative</li> <li>Expanded from 28 business offices in FY2018 to 36 offices in FY2019 so that it can be used at all offices</li> </ul>	<p>○</p> <p>×</p> <p>○</p>	<ul style="list-style-type: none"> <li>●Percentage of employees with disabilities: 2.3%</li> <li>Increase Employment Counselor for People with Disabilities: 99</li> <li>Increase in-house job coaches: 15</li> <li>Strengthen support for employees with disabilities in the workplace</li> <li>●Percentage of female managers: 25%</li> <li>Promote participation in in-house career improvement training</li> <li>Percentage of female employees: 30%</li> <li>●As workplace assistance for employees balancing childcare and work, use online communication tools (Teams) to launch an in-house community. Provide a place for fellow workers striving for a work-life balance to consult with senior employees</li> </ul>
Assuring worker health and safety				
	<ul style="list-style-type: none"> <li>●Expand mental health training for managers to sites</li> <li>●Disseminate information about proactively preventing workplace accidents</li> <li>Reduce number of accidents compared to FY2018</li> </ul>	<ul style="list-style-type: none"> <li>●Expanded mental health training for managers to sites. 284 completed training</li> <li>●Disseminated information on preventing workplace accidents quarterly in advance</li> <li>The number of workplace accidents in FY2019 was flat year-on-year</li> </ul>	<p>○</p> <p>△</p>	<ul style="list-style-type: none"> <li>●Continue to implement mental health training for assistant store managers and newly-appointed managers</li> <li>●Continue to disseminate information on preventing workplace accidents in advance</li> <li>Aim to reduce number of accidents in comparison with FY2018</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2020)		(persons)
Full-time employees*1		8,812
	Male	6,415
	Female	2,397
Part-time staff*2		2,414
	Male	1,039
	Female	1,375
Number of employees (full-time employees + part-time staff)		11,226
	Male	7,454
	Female	3,772
New graduate employees hired		286
	Male	200
	Female	86
Mid-career employees hired		218
	Male	189
	Female	29

	FY2017	FY2018	FY2019
Average length of service (full-time employees)	8 years 10 months	9 years 0 months	9 years 10 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	283 (4, 4)	316 (16, 2)	316 (20, 5)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	7 (5, 0)	8 (4, 0)	8 (3, 0)
Number of volunteer leave recipients	1	0	7
Number of female managers (percentage)*4	288 (30.5%)	247 (26.2%)	217 (21.6%)
	Section manager	240 (29.4%)	206 (24.7%)
	Division manager	7 (5.9)	7 (4.7%)
	Corporate officer	3 (11.1)	4 (13.3%)
Percentage of employees with disabilities*5	2.17%	2.30%	2.38%
Percentage of paid leave taken by full-time employees	65.2%	80.1%	74.4%
Frequency rate of workplace accidents	0.19	0.53	0.54
Severity rate of workplace accidents	0.00	0.03	0.01

\*1 Data includes 91 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.

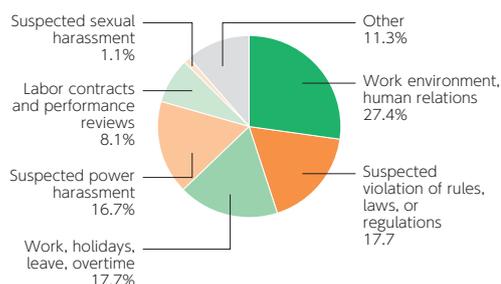
\*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

## Data from Helpline for Employees

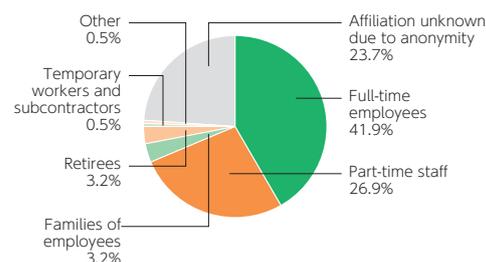
Conducted awareness surveys regarding the workplace environment for all employees, and concurrently informed all employees about the in-house reporting system. In addition, from November 2018, there was a sharp increase in the number of employee consultations, owing in part to the new establishment of online reception of consultations for the in-house reporting system in FY2019. We are planning to quickly correct and adequately handle consultations to manage corporate risk and conduct compliance. In addition, we are implementing compliance training, and aiming to have all employees acquire knowledge and foster awareness by implementing e-learning.

### Breakdown of reports by category for FY2019

Reports received: 186  
(up 46.5% from the previous fiscal year)



### By user category



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

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Offering eco-friendly products	<ul style="list-style-type: none"> <li>● Change to plant-based packaging film for all products in rice ball category</li> <li>● Reduce the size of wet towels distributed at stores by 25%</li> </ul>	<ul style="list-style-type: none"> <li>● Changed to plant-based packaging film for all products in rice ball category</li> <li>● Reduced the size of wet towels distributed at stores by 25%</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Aim to reduce the use of plastic by 800 t annually by using paper containers for a portion of chilled box lunches</li> <li>● Remove the middle plate in the container with a middle plate that are being used for box lunches to reduce plastic usage by 326 t annually</li> </ul>

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

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Supporting childcare and elderlies	<p>[Product development focused on senior citizens]</p> <ul style="list-style-type: none"> <li>● Develop price competitive products through functional products that resolve customer complaints</li> <li>Sales of developed products: 950 million yen</li> <li>3% increase compared to previous year</li> <li>Developed product distribution ratio: 33%</li> </ul> <ul style="list-style-type: none"> <li>● Coordinate with other departments</li> <li>Implement sales promotion activities and product launches for related products such as cosmetics, medical products, etc.</li> <li>Target number of customers: 5% increase compared to the previous year</li> </ul>	<p>[Product development focused on senior citizens]</p> <ul style="list-style-type: none"> <li>● Development of women's water-absorbent shorts that are low-priced and stylish for first-time users; product development with fabric makers for improved absorbency</li> <li>Sales of developed products: 846 million yen</li> <li>8% decrease compared to previous year</li> <li>Developed product distribution ratio: 29%</li> <li>2% increase in outdoor and hygiene products sales compared to previous year</li> <li>Serious impact of poor clothing sales due to various season-related factors</li> </ul> <ul style="list-style-type: none"> <li>● New customer acquisition through sales promotion crossing product categories; store visit promotion with health monitoring devices</li> <li>2% decrease in number of store visitors compared to previous year</li> </ul>	△	<p>[Product development focused on senior citizens]</p> <ul style="list-style-type: none"> <li>● Due to the COVID-19 pandemic, development of sanitation products that are antiviral, antibacterial and odor-removing, including waterproof bedsheets and pajamas that are in high demand. Product development aimed at responding to consumer opinions and problems in size, body shape, symptoms, etc., in addition to basic functions needed for senior citizens</li> <li>Sales of developed products: 850 million yen</li> <li>No change over previous year</li> <li>Developed products distribution ratio: 30%</li> <li>● Boost in activity promoting further awareness of Anshin Support Shops</li> <li>Promotion approach to nursing care coordinators jointly with manufacturers</li> <li>Action on measures to lead consumers from offline shops suffering drop in store visits due to the pandemic to online sales</li> <li>20% increase in online sales compared to previous year</li> </ul> <p>[Child-rearing support activities]</p> <ul style="list-style-type: none"> <li>● Maternal and child care counseling service</li> <li>Free child care counseling by midwives and healthcare nurses organized 5,500 times/year at 107 stores</li> <li>Response to 220,000 inquiries (no change over previous year)</li> </ul> <p>[For greater shopping convenience]</p> <ul style="list-style-type: none"> <li>● Tokushimaru (mobile sales trucks)</li> <li>Support provided to citizens not covered by online shopping and online supermarket, fulfilling the function as community lifeline</li> <li>Scheduled increase: 26 trucks from 25 stores</li> <li>Sales target: ¥80,000 average per day per truck</li> </ul>

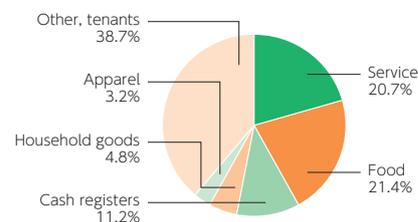
## Providing Safety and Reliability through Products and Stores

### Data from Customer Support

Inquiries received from customers remained roughly unchanged at 99%.

Also, customer complaints regarding service that accounted for roughly 20% dropped by 16% over the previous year. We will continue to analyze the cause of complaints and take steps to prevent recurrence.

Breakdown of inquiries by category for FY2019  
Inquiries received: 44,478  
(down 0.6% from the previous fiscal year)



**FY2019 Targets/Results and FY2020 Targets**

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>● Reduce the number of store-related complaints caused by lack of freshness and mixed foreign substances, especially in foods (30% decrease over the previous year)</li> <li>● Especially focus on the reducing the lack of freshness in vegetables &amp; fruits as the priority issue</li> </ul>	<ul style="list-style-type: none"> <li>● Number of complaints received regarding food items 2% decrease over the previous year</li> <li>● Vegetables &amp; fruits: 5,866 (7% decrease over previous year)</li> </ul>	×	<ul style="list-style-type: none"> <li>● Reduce the number of complaints regarding food items (20% decrease over previous year)</li> <li>● Continuing action to address the priority issue of reducing freshness problems regarding vegetables &amp; fruits</li> </ul>
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> <li>● Review and organization of means of communication in disasters (wireless radio, etc.)</li> <li>● Confirmed changes such as damage predictions by government agencies and reflected them in the countermeasures manual, etc.</li> </ul>	<ul style="list-style-type: none"> <li>● Installation of hybrid MCA wireless &amp; IP wireless devices at 29 stores with poor reception problems</li> <li>● Hazard maps issued by local governments to be obtained by each store to assess possible store damages. Report on measures against wind flood disasters updated in August</li> </ul>	○	<ul style="list-style-type: none"> <li>● Communication devices recovered with store closings and York store transfers to be distributed to existing stores for efficient use</li> <li>● Replacement as needed due to battery depletion</li> <li>● Disaster prevention measures checked throughout the year by store disaster management committees</li> </ul>
Providing appropriate information				
	<ul style="list-style-type: none"> <li>● Continue to use weekly sales meetings to share information with stores</li> </ul>	<ul style="list-style-type: none"> <li>● Action on previous week's issues and action on coming week and later explained and shared with stores every Monday</li> </ul>	○	<ul style="list-style-type: none"> <li>● Weekly sales meetings used to share opinions, requests and issues pointed out by customers</li> </ul>
Responding sincerely to customers' opinions				
	<ul style="list-style-type: none"> <li>● Details of requests and issues pointed out by customers converted into data for continual improvement and revision</li> <li>● 20% decrease over previous year for complaints regarding customer service</li> </ul>	<ul style="list-style-type: none"> <li>● Requests and issues pointed out by customers Promote data visibility further to assess trends and volumes for timely execution of action</li> <li>● Complaints regarding customer service: 2,845 19% decrease over the previous year</li> </ul>	△	<ul style="list-style-type: none"> <li>● Attention to requests and issues pointed out for concrete action that draw repeat store visits</li> <li>● Further study into data visibility and information sharing with relevant departments</li> <li>● 20% reduction of complaints regarding customer service over previous year</li> </ul>
Providing support for disasters				
	<ul style="list-style-type: none"> <li>● 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</li> <li>● Successively review the contents of agreements concluded in the past</li> </ul>	<ul style="list-style-type: none"> <li>● Template regarding support in goods and provision of temporary shelters developed per agreement. New agreements with Fukushima Prefecture, Minamisenju Police Department and Ueda City</li> <li>● Agreements with Fujimino City and Osaka Prefecture reviewed</li> </ul>	○	<ul style="list-style-type: none"> <li>● Conclude disaster support agreements with local governments, etc., at store-opening locations where there are no agreements yet</li> <li>● Successively review the contents of agreements concluded in the past</li> </ul>

**Non-Wasteful Usage of Products, Ingredients and Energy**
**FY2019 Targets/Results and FY2020 Targets**

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>● Introduce LED lighting for sales areas, BB and multi-story car parks at 34 stores</li> <li>● Introduce inverters for sales area air conditioning control at 8 stores</li> <li>● Delivery distance per store: 155,000 km * Calculate from average number of stores in operation</li> </ul>	<ul style="list-style-type: none"> <li>● Approx. 36,000 LED lighting units at 34 stores</li> <li>● Use of 51 power inverters at 6 stores</li> <li>● Delivery distance per store: 223,000 km * Calculate from average number of stores in operation</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>△</li> <li>×</li> </ul>	<ul style="list-style-type: none"> <li>● Approx. 35,000 fluorescent lighting units replaced with LED at 45 stores</li> <li>● Complete installation of power inverters for sales area air conditioning for stores where possible</li> <li>● Delivery distance per store: 155,000 km * Calculate from average number of stores in operation</li> </ul>
Reducing waste and developing a circular economy				
	<ul style="list-style-type: none"> <li>● Food waste recycling rate: 56.0% (rigorously sort waste by using measuring equipment)</li> <li>● Stores that implement recycling: 90 stores (new channels + dominant)</li> </ul>	<ul style="list-style-type: none"> <li>● Food waste recycling rate: 59.5%</li> <li>● Stores that implement recycling: 157 stores (implementation rate: 100%)</li> </ul>	○	<ul style="list-style-type: none"> <li>● Food waste recycling rate: 65.0%</li> <li>● Recycling implementation rate: 100% Continue recycling at all (157) stores handling food-related products</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>● Target number of employees who take the Eco Test: 2,370 Aim for a passing rate of 90%</li> </ul>	<ul style="list-style-type: none"> <li>● Number of employees who took the Eco Test: 2,271 Qualified employees: 1,344 Passing rate: 59.2%</li> </ul>	△	<ul style="list-style-type: none"> <li>● Target number of employees who take the Eco Test: 1,300 Aim for passing rate of 90%</li> <li>● 100% participation in Green Challenge 2050 e-learning program</li> </ul>

## Environmental Data

Challenges	Unit	FY2017	FY2018	FY2019
CO <sub>2</sub> emissions*1 *2	t-CO <sub>2</sub>	464,556	452,906	414,126
CO <sub>2</sub> emissions from store operations*1 (Environmental impact index*3)	t-CO <sub>2</sub> (t-CO <sub>2</sub> /(Mm <sup>2</sup> × 1,000 h))	441,313 (93)	428,636 (92)	391,680 (100)
CO <sub>2</sub> emissions from delivery vehicles *1	t-CO <sub>2</sub>	22,932	21,454	22,158
Electricity consumption in store operations *1	GWh	767	745	701
Water usage in store operations*1	1,000m <sup>3</sup>	6,264	6,138	5,842
Plastic bag usage (turndown rate) at the food section	t (%)	1,033(71.6)	1,012(72.7)	756 (74.4)
Waste disposal	t (%)	124,349	125,267	119,172
Food waste recycling rate	%	53.2	55.1	59.5

\*1 The period of the calculations was from April to March.

\*2 This data represents CO<sub>2</sub> emissions stemming from the use of energy for store, Head Office, training center and logistics center operations and by delivery trucks.

\*3 CO<sub>2</sub> emissions per (total sales floor area × opening hours).

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

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Development of human resources				
	<ul style="list-style-type: none"> <li>● Change training period to 2 days each week for 4 weeks to achieve a combination between training and store OJT. Repeat the cycle of "training ⇒ store practice ⇒ training ⇒ implementation"</li> <li>Target number of participants: 150</li> <li>Target participation rate: 50%</li> <li>● Conduct divisional training for sales floor managers, in collaboration with product departments and SVs, about criteria of processing techniques and management of product groups that make up large parts of sales</li> </ul>	<ul style="list-style-type: none"> <li>● Training period made compact into 2 days a week for 4 weeks for easier participation. At the same time, however, divide in skill mastery level found in some areas</li> <li>Number of participants: 151</li> <li>Participation rate: 45.1%</li> <li>● Organized by store location</li> <li>Meats: Training on slicing beef</li> <li>Seafood: Training on cleaning tuna</li> <li>Deli: Training on producing pork loin cutlet</li> <li>Skill levels of managerial employees reexamined and production manual criteria checked</li> </ul>	<p>△</p> <p>○</p>	<ul style="list-style-type: none"> <li>● Train 50 in the first half, focusing chiefly on training and skill acquisition by newly transferred employees, including those relocated under personnel policy</li> <li>● Order issued to trainees to undergo 4-month training curriculum consisting of one month of training and 3 months of store OJT</li> <li>● Skill inspection for priority product groups and manual check conducted in sales floor manager training</li> <li>● Develop and conduct training under a new standard manual for sanitation management, in addition to product making manual, for video viewing by all food related employees in TV conferences</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>● 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</li> </ul>	<ul style="list-style-type: none"> <li>● Training conducted: 48 times</li> <li>Total participants: 925</li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>● Aim to train employees who can act based on correct knowledge and understanding, based on recognition of respect for human rights and diversity and the promotion of normalization</li> <li>● Train in human rights awareness for all employees at a new store closing, in addition to training programs for new employees and for new managerial appointees</li> </ul>
Assuring worker health and safety				
	<ul style="list-style-type: none"> <li>● Reduce number of serious work accidents resulting in 4 or more days of work missed to 90% compared to the previous year</li> <li>Conduct level-specific training about mental health and harassment</li> </ul>	<ul style="list-style-type: none"> <li>● Reduce number of serious work accidents resulting in 4 or more days of work missed to 70% compared to the previous year</li> <li>● Organized the following activities as part of the work environment improvement project</li> <li>Organize power harassment prevention training in October and November to head office managers and higher, including executive officers</li> <li>Participation of approx. 200 (participation rate of roughly 70%) to boost awareness toward gaining knowledge of power harassment prevention law and other laws and preventing power harassment</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>● Reduce the number of serious work accidents resulting in 4 or more days of work missed to 90% compared to the previous year</li> <li>● Continue harassment training and awareness training toward violators of work regulations</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2020)		(persons)
Full-time employees*1		7,131
	Male	5,140
	Female	1,991
Part-time staff*2		21,581
	Male	4,342
	Female	17,239
Number of employees (full-time employees + part-time staff)		28,712
	Male	9,482
	Female	19,230
New graduate employees hired		156
	Male	73
	Female	83
Mid-career employees hired		73
	Male	50
	Female	23

	FY2017	FY2018	FY2019
Average length of service (full-time employees)	22 years 10 months	24 years 7 months	23 years 2 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	302 (2, 184)	323 (3, 183)	290 (8, 194)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	20 (0, 17)	32 (1, 26)	26 (5, 17)
Number of volunteer leave recipients	3	4	7
Number of female managers (percentage)**4	948 (24.2%)	798 (26.3%)	752 (26.1%)
	Team leader	707 (30.9%)	666 (31.0%)
	Section manager	71 (13.8%)	65 (13.0%)
	Division manager	20 (8.8%)	20 (8.9%)
	Corporate officer	2 (10.5%)	1 (4.5%)
Percentage of employees with disabilities	2.77%	2.99%	3.15%
Percentage of paid leave taken by full-time employees	17.7%	26.3%	32.8%
Frequency rate of workplace accidents	1.45	1.65	1.37
Severity rate of workplace accidents	0.04	0.04	0.03

\*1 Data includes 694 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)

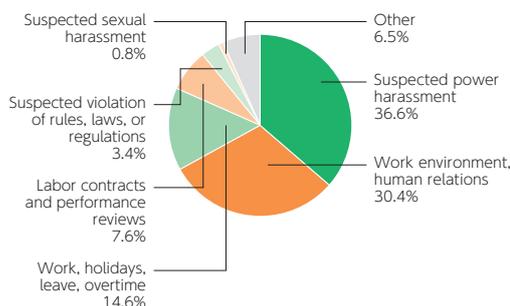
\*4 The percentage of team leaders or higher positions.

\*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

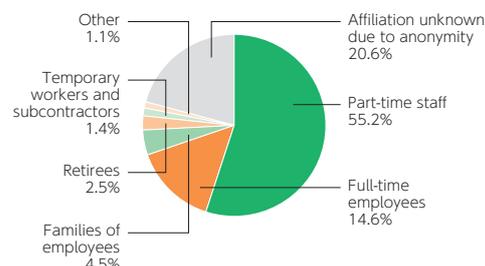
## Data from Helpline for Employees

The number of consultations in FY2019 fell to 81.6% of the FY2018 level. However, the number of inquiries regarding harassment have not changed. Coaching and harassment training of upper management employees are to continue, in order to create a better work environment that fosters communication.

### Breakdown of reports by category for FY2019 Reports received: 355 (down 18.4% from the previous fiscal year)



### By user category



# York-Benimaru Co., Ltd.

Website: <https://yorkbenimaru.com/company/mecenat/> (in Japanese)

Number of stores as of fiscal year ended February 29, 2020: 230

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

### FY2019 Targets/Results and FY2020 Targets

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

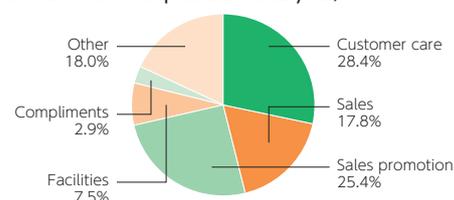
Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Supporting childcare and elderly				
	●Continue blood donation activities	●Number of Heartful Saturday blood donors in October: 402	○	●Continue blood donation activities
Promoting regional development				
	●Continue to hold Opening Anniversary Festivals at all stores (each store holds unique event with local customers in the month they opened)	●Continued to hold Opening Anniversary Festivals at all stores	○	●Continue to hold Opening Anniversary Festivals at all stores

## Providing Safety and Reliability through Products and Stores

### Data from Customer Support

As an initiative to listen to our customers' voice and respond to every one of them, we share examples of each 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.

Breakdown of inquiries by category for FY2019  
Inquiries received: 3,551  
(down 0.5% from the previous fiscal year)



### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Ensuring the quality and safety of products and services				
	●Sales target for private-brand three-star vegetables/fruits: 4% growth year-on-year	●Sales results for three-star vegetables/ fruits: down 3.5% compared to the previous year	×	●Same-store sales target for three-star vegetables/fruits: 6% growth year-on-year
Maintain 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.: 127	○	●Aim to certify new stores under the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.
Providing support for disasters				
	●Continue to consider cooperating with local governments who request the conclusion of disaster management agreements, etc.	●No new agreements with local governments were signed	—	●Continue to consider cooperating with local governments who request the conclusion of disaster management agreements, etc.
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

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Improving energy efficiency and introducing renewable energy				
	●Electricity consumption On a same-store basis: 96.9% of previous year	●Electricity consumption On a same-store basis: 98.2% of previous year ●Introduced a system to remotely support refrigerator and freezer cases Number of stores in which the system was installed: 58	×	●Electricity consumption On a same-store basis: 98.0% of previous year ●Expand introduction of system to remotely support refrigerator and freezer cases Number of stores in which the system is to be newly installed: 45

## Environmental Data

Challenges	Unit	FY2017	FY2018	FY2019
CO <sub>2</sub> emissions* <sup>1</sup> * <sup>2</sup>	t-CO <sub>2</sub>	193,182	192,977	192,650
CO <sub>2</sub> emissions from store operations (per store) * <sup>1</sup>	t-CO <sub>2</sub>	176,150(804)	175,576(787)	174,464(755)
CO <sub>2</sub> emissions from delivery vehicles * <sup>1</sup>	t-CO <sub>2</sub>	16,721	17,097	17,868
Electricity consumption in store operations* <sup>1</sup>	GWh	325	338	336
Water usage in store operations* <sup>3</sup>	1,000m <sup>3</sup>	1,104	1,097	1,072
Plastic bag usage (turndown rate) at the food section	t (%)	503(70.5)	516(70.5)	496(72.6)
Waste disposal (recycling rate) * <sup>3</sup>	t (%)	43,497(52.8)	44,697(52.2)	52,953(52.1)
Food waste recycling rate* <sup>3</sup>	%	60.4	59.8	58.1

\*1 The period of the calculations was from April to March.

\*2 This data represents CO<sub>2</sub> emissions stemming from the use of energy for store, Head Office, training center and logistics center operations and by delivery trucks.

\*3 The period of the calculations was from March to February.

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

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Development of human resources				
	<ul style="list-style-type: none"> <li>● Establish a new Education Promotion Office to centralize York-Benimaru's human resource development and education functions so as to standardize level-specific training from joining the company to promotion</li> </ul>	<ul style="list-style-type: none"> <li>● Number of employees that successfully passed technical certification (perishables, product display, customer service): 1,142 (29% higher than planned)</li> <li>● Number of employees in charge of order placement that underwent training (levels 4 &amp; 5): 818 (25% higher than planned)</li> <li>● Feedback training: Implemented 48 times in 8 zones</li> </ul>	○	<ul style="list-style-type: none"> <li>● Integrate the Training Department and Skill Development Department to form the Training Promotion Office and thereby advance stratified and OJT training</li> <li>● Number of employees that successfully passed technical certification (perishables, product displays, customer service): 1,316</li> <li>● Number of employees in charge of order placement to undergo training (levels 4 &amp; 5): 542</li> <li>● Feedback training: Implement 36 times in 6 zones</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>● Increase the annual average number of paid leave days taken (full-time employees) to 5 days</li> </ul>	<ul style="list-style-type: none"> <li>● Increased the annual average number of paid leave days taken (full-time employees) to 7.2 days</li> </ul>	○	<ul style="list-style-type: none"> <li>● Increase the annual number of paid leave days taken (full-time employees) to 10 days</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>● Promote an executive training curriculum, and aim to achieve a percentage of female managers (team leaders) of 28%</li> </ul>	<ul style="list-style-type: none"> <li>● Percentage of female managers (team leaders): 26%</li> </ul>	△	<ul style="list-style-type: none"> <li>● Promote an executive training curriculum, and aim to achieve a percentage of female managers (team leaders) of 28%</li> </ul>
Assuring worker health and safety				
	<ul style="list-style-type: none"> <li>● Number of workplace accidents per year: Decrease of 20% compared to the previous year</li> </ul>	<ul style="list-style-type: none"> <li>● Number of workplace accidents per year: Decrease of 8% compared to the previous year</li> </ul>	×	<ul style="list-style-type: none"> <li>● Number of workplace accidents per year: Decrease of 20% compared to the previous year</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2020)		(persons)
Full-time employees		3,006
	Male	2,564
	Female	442
Part-time staff*1		11,763
	Male	1,996
	Female	9,767
Number of employees (full-time employees + part-time staff)		14,769
	Male	4,560
	Female	10,209
New graduate employees hired		151
	Male	92
	Female	59
Mid-career employees hired		0
	Male	0
	Female	0

	FY2017	FY2018	FY2019
Average length of service (full-time employees)	14 years 8 months	14 years 8 months	14 years 8 months
Number of full-time employees who took childcare leave**4	201 (0, 177)	185 (0, 161)	196 (0, 170)
Number of full-time employees who took nursing care leave**4	13 (0, 13)	4 (0, 4)	5 (0, 5)
Number of volunteer leave recipients	NA	NA	NA
Number of female managers (percentage)**5	599 (25.5%)	601 (25.3%)	607 (25.3%)
	Team leader	395 (26.7%)	395 (26.1%)
	Section manager	189 (34.6%)	191 (34.6%)
	Division manager	15 (5.1%)	15 (4.9%)
	Corporate officer	3 (10.7%)	3 (11.1%)
Percentage of employees with disabilities**6	2.85%	2.97%	3.10%
Percentage of paid leave taken by full-time employees	24.7%	26.5%	40.0%
Frequency rate of workplace accidents	3.70	3.33	3.58
Severity rate of workplace accidents	0.01	0.01	0.01

\*1 Data includes 242 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.

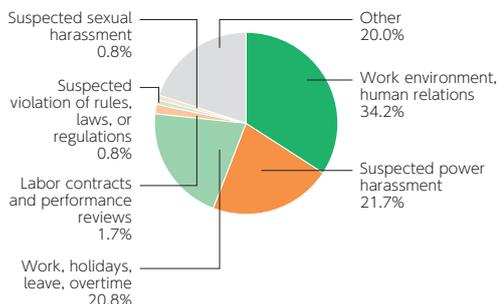
\*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

## Data from Helpline for Employees

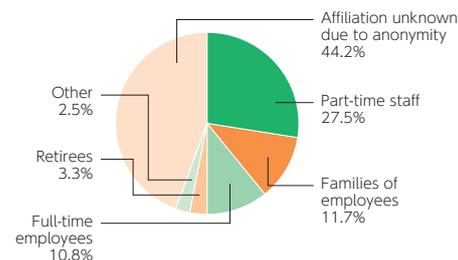
The service enables them to receive counseling on workplace issues, request investigations into noncompliance, etc. Employee suggestions are used to create a better workplace environment.

### Breakdown of reports by category for FY2019

Reports received: 120  
(down 14.3% from the previous fiscal year)



### By user category



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

### FY2019 Targets/Results and FY2020 Targets

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

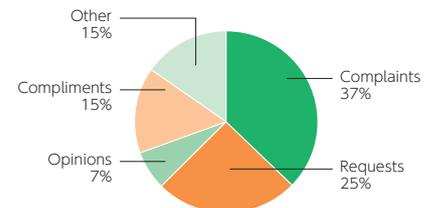
Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Supporting childcare and elderly				
	<ul style="list-style-type: none"> <li>● Increase users of the child caring system "re-challenge plan" to reduce resignations</li> <li>● Disseminate information about the "re-challenge plan" via the company's internal newsletter featuring the experience of its system users</li> <li>● Continue to hold orientations for employees returning to work after childcare leave, and identify the challenges for the further improvement of the system</li> </ul>	<ul style="list-style-type: none"> <li>● Number of "re-challenge plan" users: 64 (of which 25 are partners; 3.2% increase compared to the previous year)</li> <li>● Disseminate information about the "re-challenge plan" via the company's internal newsletter featuring the experience of its system users</li> <li>● Held orientation for employees returning to work after childcare leave every quarter</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>△</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Increase users of the child caring system "re-challenge plan" to reduce resignations</li> <li>● Disseminate information about the "re-challenge plan" via the company's internal newsletter featuring the experience of its system users</li> <li>● Continue to hold orientations for employees returning to work after childcare leave, and identify the challenges for the further improvement of the system</li> </ul>
Promoting regional development				
	<ul style="list-style-type: none"> <li>● Continue to accept workplace tours and work experience participation by local elementary and junior high school students</li> <li>● Train a total of 1,800 supporters of people with dementia</li> </ul>	<ul style="list-style-type: none"> <li>● Accept workplace tours and work experience participation by local elementary and junior high school students</li> <li>● Trained 275 supporters of people with dementia, with cumulative total reaching 1,860 supporters</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Study cooperation with elementary and junior high school students (workplace tours, work experience and distribution of CSR leaflets)</li> <li>● Train a total of 2,800 supporters of people with dementia</li> </ul>

## Providing Safety and Reliability through Products and Stores

### Data from Customer Support

There were 1,922 calls received via the toll-free phone number in FY2019. Of these, 1,264 were inquiries and 658 calls were concerned opinions to stores, roughly the same as in the previous year. When combined with requests and opinions to stores, a total of 8,188 requests and suggestions were received. The opinions received will be shared internally, and effort will be made to respond swiftly to customer suggestions.

Breakdown of inquiries by category for FY2019  
Inquiries received: 8,188  
(up 9% from the previous fiscal year)



## FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>● Direct communication fostered for date management, accurate production location, history display, etc., via store supervisors' meetings at stores</li> <li>● Strengthening compliance through direct on-site interview sessions with store supervisors</li> <li>● Continue to be thorough in using sanitation equipment (Purester water)</li> </ul>	<ul style="list-style-type: none"> <li>● Strengthen communication between the sales business department and stores; communication at store supervisors' meetings</li> <li>● Small-group meetings consisting of team members from roughly 5 stores located nearby each other to share activities and issues</li> <li>● Appropriate use maintained with bimonthly check on usage status by outside contractor and presentation at Head Office QC personnel interview</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Direct communication fostered for date management, accurate production location, history display, etc., via store supervisors' meetings at stores</li> <li>● Communication fostered at the store between Head Office quality control staff and store compliance team members</li> <li>● Use of sanitation equipment (Purester water) checked at store inspection tours</li> </ul>
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> <li>● Expand sitting areas named "Fureai Corner"</li> <li>● Introduce anti-slip ceramic tiles for flooring material (new stores)</li> </ul>	<ul style="list-style-type: none"> <li>● Renovate interaction section at 3 existing stores</li> <li>● Introduce anti-slip ceramic tiles at 2 new stores</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Upgrade interaction section at renovated stores</li> <li>● Continue use of anti-slip ceramic tiles as store flooring material (2 new stores)</li> </ul>
Providing appropriate information				
	<ul style="list-style-type: none"> <li>● 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</li> <li>● 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</li> <li>● Conduct small-group training on food hygiene and labeling through on-site checks at nearby stores</li> </ul>	<ul style="list-style-type: none"> <li>● Number of stores with inadequacies roughly constant</li> <li>● Inadequacies shared with store supervisors; business trainer sent weekly emails to stimulate attention to them as companywide issues</li> <li>● Communication through weekly online conference with Head Office quality control staff, weekly emails providing information to stores and store supervisors' meetings</li> <li>● Small-group training covering roughly 5 stores and based on on-site inspection of nearby stores conducted for all stores twice a year</li> </ul>	<ul style="list-style-type: none"> <li>△</li> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Issues found in audit results shared with the sales business department every week for improvement. Information communication from business trainers to continue for action by the entire company</li> <li>● 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</li> <li>● Conduct small-scale food hygiene and labeling training twice a year for roughly 5 nearby stores based on on-site checks</li> </ul>
Responding sincerely to customers' opinions				
	<ul style="list-style-type: none"> <li>● Seek to receive praises from customers by responding to their requests and opinions</li> <li>● Confirm customers' opinions with upper management employees weekly and improve store operations by coordinating with relevant departments</li> </ul>	<ul style="list-style-type: none"> <li>● 8188 customers' opinions received per year, of which 1,262 were compliments</li> <li>● Customers' opinions shared every week with upper management employees for improvement</li> </ul>	<ul style="list-style-type: none"> <li>△</li> <li>△</li> </ul>	<ul style="list-style-type: none"> <li>● Continue publishing toll-free phone numbers on fliers and installing customer suggestion boxes at stores, to receive as many customers' opinions as possible and utilize them for better store management</li> <li>● Customers' opinions received are shared among upper management employees and store employees for better store management</li> </ul>

## Non-Wasteful Usage of Products, Ingredients and Energy

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Measuring appropriately the environmental impact				
	<ul style="list-style-type: none"> <li>● Utilize BEMS</li> </ul>	<ul style="list-style-type: none"> <li>● Reduced electricity consumption through utilization of BEMS</li> </ul>	<ul style="list-style-type: none"> <li>△</li> </ul>	<ul style="list-style-type: none"> <li>● Utilize BEMS</li> </ul>
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>● Continue to introduce reach-in multi-level refrigerated cases at existing stores</li> </ul>	<ul style="list-style-type: none"> <li>● Installation of reach-in cases (2 stores)</li> <li>● Installation of solar power generation facility (one store)</li> </ul>	<ul style="list-style-type: none"> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Continue to introduce reach-in multi-level refrigerated cases at existing stores (3 stores)</li> <li>● Install solar power generation facility (2 stores)</li> <li>● Install LED lighting to replace existing fluorescent lighting (5 stores)</li> </ul>
Reducing waste and developing a circular economy				
	<ul style="list-style-type: none"> <li>● Food waste recycling rate: 63.8%</li> <li>● Plastic bag turndown rate :51.5%</li> <li>● Usage in weight decreased by 2% from previous year</li> </ul>	<ul style="list-style-type: none"> <li>● Food waste recycling rate: 64.2%</li> <li>● Plastic bag turndown rate: 54.5%</li> <li>● Usage in weight down by 9% from previous year</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Food waste recycling rate: 64.8%</li> <li>● Plastic bag turndown rate :70%</li> <li>● Usage in weight down by 15% from previous year</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>● Number of employees that pass the Eco Test: 50</li> </ul>	<ul style="list-style-type: none"> <li>● Number of employees who pass the Eco Test: 41</li> </ul>	<ul style="list-style-type: none"> <li>△</li> </ul>	<ul style="list-style-type: none"> <li>● Number of employees that pass the Eco Test: 30</li> </ul>

## Environmental Data

Challenges	Unit	FY2017	FY2018	FY2019
CO <sub>2</sub> emissions*1 *2	t-CO <sub>2</sub>	56,309	56,375	54,891
CO <sub>2</sub> emissions from store operations (per store)*1	t-CO <sub>2</sub>	56,272(712)	56,337(696)	54,852(660)
Electricity consumption in store operations *1	GWh	114	117	115
Water usage in store operations*1	1,000m <sup>3</sup>	529	513	483
Plastic bag turndown rate at the food section	%	49.9	50.6	54.5
Waste disposal (recycling rate)	t (%)	21,547(66.0)	21,891(77.9)	20,097(80.2)
Food waste recycling rate	%	56.6	62.8	64.2

\*1 The period of the calculations was conducted from April to March.

\*2 CO<sub>2</sub> emissions stemming from the use of energy in store operations and Head Office operations.

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

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Development of human resources				
	<ul style="list-style-type: none"> <li>● Hold anger management seminars to improve skills of educators</li> <li>● Hold group training for young employees to improve level of technical expertise and develop a sense of camaraderie</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted for executive officers, store managers and managers in 2 divisions (approx. 140)</li> <li>● Group training in social norms and technology conducted for new employees</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted for general managers, zone managers, store managers and managers</li> <li>● Web training and technology training for new employees</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>● Average number of overtime hours down by 10% from the previous fiscal year, to cut down total work hours</li> </ul>	<ul style="list-style-type: none"> <li>● Average number of overtime hours: 31.3 (down by 10.6% from the previous fiscal year)</li> </ul>	<ul style="list-style-type: none"> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Average number of overtime hours down by 10% from the previous fiscal year, to cut down total work hours</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>● Employees appointed as expert employees: 20</li> <li>● Employees appointed as full-time employees: 25</li> <li>● Number of females appointed in management roles: 5</li> <li>● Percentage of female managers: 26%</li> </ul>	<ul style="list-style-type: none"> <li>● Employees appointed as expert employees: 12</li> <li>● Employees appointed as full-time employees: 12</li> <li>● Female employees appointed in management roles: 2</li> <li>● Percentage of female managers: 24.4%</li> </ul>	<ul style="list-style-type: none"> <li>△</li> <li>△</li> <li>△</li> <li>△</li> </ul>	<ul style="list-style-type: none"> <li>● Employees appointed as expert employees: 15</li> <li>● Employees appointed as full-time employees: 15</li> <li>● Number of females appointed in management roles: 4</li> <li>● Percentage of female managers: 25%</li> </ul>
Assuring worker health and safety				
	<ul style="list-style-type: none"> <li>● Reduce occurrence of workplace accidents</li> <li>Give notification of causes and responses</li> <li>Reduce workplace accidents requiring missed workdays</li> </ul>	<ul style="list-style-type: none"> <li>● Frequency rate: 4.61→2.46</li> <li>● Severity rate: 0.09→0.06</li> <li>● Number of workdays missed reduced from 1114 to 730</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Reduce occurrence of workplace accidents</li> <li>Give notification of causes and responses</li> <li>Reduce workplace accidents requiring missed workdays</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2020)		(persons)
Full-time employees*1		1,318
	Male	1,027
	Female	291
Part-time staff*2		4,582
	Male	1,280
	Female	3,302
Number of employees (full-time employees + part-time staff)		5,900
	Male	2,307
	Female	3,593
New graduate employees hired		90
	Male	42
	Female	48
Mid-career employees hired		10
	Male	9
	Female	1

	FY2017	FY2018	FY2019
Average length of service (full-time employees)	15 years 5 months	15 years 11 months	15 years 7 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	46 (0, 28)	51 (0, 23)	41 (0, 23)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	0 (0, 0)	2 (0, 2)	0 (0, 0)
Number of volunteer leave recipients	0	0	2
Number of female managers (percentage)**4	201 (22.8%)	218 (24.8%)	214 (24.5%)
	Team leader	172 (28.7%)	169 (28.7%)
	Section manager	27 (11.5%)	38 (23.0%)
	Division manager	9 (7.5%)	8 (7.0%)
	Corporate officer	1 (7.7%)	1 (7.1%)
Percentage of employees with disabilities*5	2.12%	2.22%	2.30%
Percentage of paid leave taken by full-time employees	16.0%	20.9%	34.6%
Frequency rate of workplace accidents	3.29	4.61	2.46
Severity rate of workplace accidents	0.05	0.09	0.06

\*1 Data includes 85 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, excluding corporate officers, for FY2017 and FY2018

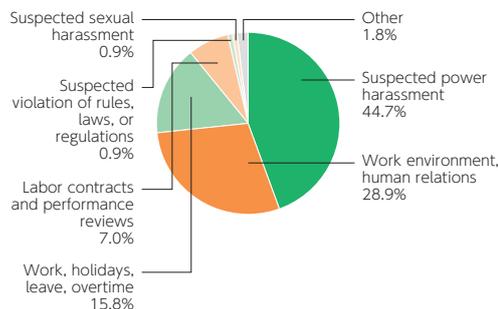
\*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

## Data from Helpline for Employees

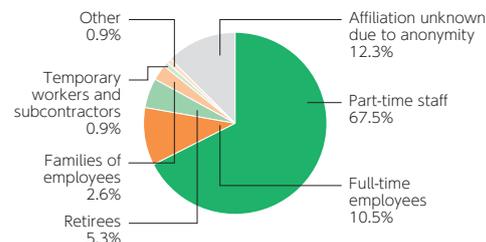
Many reports have been received about problems arising from daily communication. To address the problem, coaching and harassment training are being implemented especially for the persons in managerial position. We are also striving to improve the work environment.

### Breakdown of reports by category for FY2019

Reports received: 114  
(down 8.8% from the previous fiscal year)



### By user category



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

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Supporting childcare and elderly				
	<ul style="list-style-type: none"> <li>● Continue Pre-Mama Stations and Counters, and hold parent-child participation events, maternity classes, and lectures in collaboration with business partners</li> <li>● Reinforce initiatives to expand number of users (notifications, details and frequency of events, review of business partner joint projects)</li> <li>● New development (targets) Shoe fitters: 10 Formal-wear advisors: 5 Shopping supporters for the elderly and people with disabilities: 15</li> <li>● Supporters of people with dementia: 489 Accumulated total: 5,200</li> <li>● Children's shoes: trade for donation in 91,644 pairs</li> <li>● Collaborate with businesses that train guide dogs</li> </ul>	<ul style="list-style-type: none"> <li>● Held parent-child participation events, maternity classes, and lectures every month through Pre-Mama Stations and Counters</li> <li>● Pre-Mama Station/Counter attendees: 14,686 * 4,849 of which were repeat attendees Repeat rate: up 3% from the previous fiscal year</li> <li>● New development (achievements) Shoe fitters: 10 Formal-wear advisors: 9 Shopping supporters for the elderly and people with disabilities: 40</li> <li>● Supporters of people with dementia: 297 Accumulated total: 5,008</li> <li>● Children's shoes: trade for donation in 95,768 pairs Accumulated total since 2009: 951,395 pairs</li> <li>● Donations to funds for organizations that train guide dogs: 38,354,000 Accumulated total since 2003: 649,303,000</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>△</li> <li>○</li> <li>×</li> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Continue Pre-Mama Stations and Counters, and hold parent-child participation events, maternity classes, and lectures in collaboration with business partners</li> <li>● New development (targets) Shoe fitters: 10 Formal-wear advisors: 10 Shopping supporters for the elderly and people with disabilities: 15</li> <li>● Increase dementia supporters, with a focus on new employees Target accumulated total: 5,300</li> <li>● Children's shoes (targets) for trade for donation Accumulated total since 2009: 1 million pairs</li> <li>● Continue cooperation with businesses that train guide dogs</li> </ul>
Promoting regional development				
	<ul style="list-style-type: none"> <li>● 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.)</li> <li>● Continue to improve convenience for voters by holding polling stations for early voting</li> <li>● Continue to use stores as the main vehicle, introduce various local traditions, techniques, cultures, region-limited products, and local specialty goods, and promote sales</li> <li>● Continue to strengthen information sharing, notifications and sales of each region-limited product and specialty goods among stores</li> <li>● Awareness-raising of LGBT rights Encourage understanding of the issue in collaboration with local governments and communities, and conduct training for employees</li> <li>● Partner local universities Conduct dispatch lessons and events centered on students</li> </ul>	<ul style="list-style-type: none"> <li>● Held events related to SDGs, such as Green Curtain, work experiences, and Summer Kids Academy, at stores in collaboration with the local community (governments, schools)</li> <li>● Established a polling station for early voting in four stores (Ikebukuro main store, Chiba, Higashi-Totsuka, Fukui)</li> <li>● Held local production and local consumption events, etc., where local specialties are introduced and sold in collaboration with the local community (Yokohama store, Chiba store, Hiroshima store, Omiya store, Fukui store, Otsu store, Tokushima store)</li> <li>● Held Fukui (Shinetsu) product exhibition (Chiba store, Omiya store)</li> <li>● Participated in LGBT events (Rainbow Pride) in collaboration with government and local communities and implemented employee training (Shibuya store)</li> <li>● Implemented special lectures related to SDGs (Waseda University, Rikkyo University)</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> <li>○</li> <li>○</li> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Strengthen initiatives in collaboration with governments, such as Comprehensive Economic Partnerships concluded with local governments</li> <li>● Establish early voting stations and make announcements for each election to improve convenience and turnout</li> <li>● Enhance promotion of local production and local consumption, such as by introducing midyear gifts and year-end gifts for local products at each store</li> <li>● Continue to clean the areas around stores, beautify the environment, and promote rooftop green spaces</li> <li>● Implement events in collaboration with local communities (governments, schools, companies, NPOs, etc.)</li> </ul>

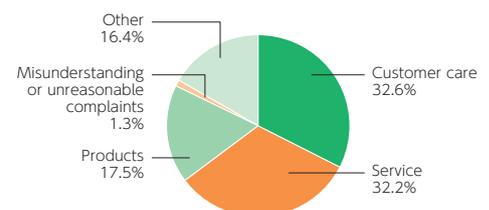
## Providing Safety and Reliability through Products and Stores

### Data from Customer Support

We continued to share internally the customers' opinions sent to the customer supports 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 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.

Breakdown of inquiries by category for FY2019  
Inquiries received: 7,903  
(up 4.4% from the previous fiscal year)



Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>● Continue to improve hygiene management knowledge for store employees</li> <li>● Clearly identify issues pertaining to food sanitation at each store and continue to improve and verify the situation by implementing PDCA activities for the Store Product Quality Management Committee</li> <li>● Continue to have sample verification tests performed by a specialized institution on products in the clothing and general goods categories</li> <li>● Continue level-specific training to improve store employee skills</li> </ul>	<ul style="list-style-type: none"> <li>● Used a booklet on the fundamentals of food sanitation management, and DVDs/e-learning for training, at morning and afternoon meetings, and for on-site instruction</li> <li>● The Store Product Quality Management Committee sorted, improved, and verified issues on a monthly basis</li> <li>● Conducted sample testing of baby clothes, ladies' apparel, seasonal products, etc., each month based on a monthly theme</li> <li>● Implemented level-specific training to improve store employee skills 34 times</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Continue to improve hygiene management knowledge for store employees</li> <li>● Clearly identify issues pertaining to food sanitation at each store and continue to improve and verify the situation by implementing PDCA activities for the Store Product Quality Management Committee</li> <li>● Continue to have sample verification tests performed by a specialized institution on products in the clothing and general goods categories</li> <li>● Continue level-specific training to improve store employee skills</li> </ul>
Maintain more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> <li>● Renovate the multi-purpose toilets at the Yokohama store</li> <li>● Continue inspections of stores and equipment from a universal design perspective</li> </ul>	<ul style="list-style-type: none"> <li>● Three new multi-purpose restrooms added (Yokohama store)</li> <li>● Verified functional restroom layouts and reflect them in renovations</li> <li>● Collaborated with Saitama Prefecture to paint parking lot for people with disabilities at Seibu Tokorozawa Shopping Center blue</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Continue inspections of stores and equipment from a universal design perspective</li> </ul>
Providing appropriate information				
	<ul style="list-style-type: none"> <li>● Cooperate with specialist organizations to check and inspect both food product labeling, and continue to implement appropriate labeling and information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted 150 inspections by specialist organizations on labeling of food products, beverages (kitchen and sales area), clothing, and general goods</li> </ul>	<ul style="list-style-type: none"> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Cooperate with specialist organizations to check and inspect both food product labeling, and continue to implement appropriate labeling and information disclosure (implement periodic inspections at least twice a year at all stores)</li> </ul>
Responding sincerely to customers' opinions				
	<ul style="list-style-type: none"> <li>● Sincerely listen to customers' opinions from their feedback and get stores and Head Office to work together to resolve problems so as to promote further improvement in customer service awareness among employees</li> <li>● Reduce the number of complaints from customers: Below 2,900</li> </ul>	<ul style="list-style-type: none"> <li>● Continued to send out a weekly <i>Attentive Service newsletter</i> leveraging customers' opinions, and continuously implement activities to resolve complaints and improve customer service awareness</li> <li>● 2,591 complaints 309 complaints fewer than target</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● 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</li> <li>● Reduce the number of complaints from customers: Below 2,450</li> </ul>
Providing support for disasters				
	<ul style="list-style-type: none"> <li>● Continue to collaborate with local governments and companies, including through existing regional comprehensive collaboration agreements and measures for people having difficulties in going home in the event of large earthquakes</li> <li>● Through the holding of events on disaster prevention, continue to promote activities that raise the awareness of disaster prevention in cooperation with local communities</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted disaster prevention training and education at all stores together in <i>disaster prevention and volunteer week, fire prevention week</i>, etc.</li> <li>● Actively participated in <i>Council to Address People Experiencing Difficulty Getting Home and Council to Address Overcrowding Around Train Stations</i> in partnership with government agencies and local businesses</li> <li>● Actively participate in local disaster prevention training sessions and in-house firefighting examination boards in partnership with local fire stations and local businesses as part of employee education</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Continue implementation of disaster prevention education and training in collaboration with the government as part of employee education</li> <li>● Implement efforts with fire departments and governments to improve disaster prevention capabilities in collaboration with local businesses</li> <li>● Actively participate in various training sessions and initiatives as a representative of local businesses to strengthen cooperation with government officials</li> </ul>
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> <li>● Continue to come together as one with local businesses, and strengthen communication with the police officials</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted anti-terrorism training in partnership with local businesses and police officials, and participated in crime-prevention patrols, etc.</li> <li>● Participated in police administration as Deputy Director of the Police Station Council and exercised leadership as a local business (Ikebukuro main store, Ikebukuro Police Station)</li> </ul>	<ul style="list-style-type: none"> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>● Continue to collaborate with local businesses and strengthen communication with the police officials</li> </ul>

## Non-Wasteful Usage of Products, Ingredients and Energy

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Measuring appropriately the environmental impact				
	<ul style="list-style-type: none"> <li>● Expand recommendations in periodic ISO 14001 audits and reduce items indicated by audits</li> </ul>	<ul style="list-style-type: none"> <li>● ISO 14001 update examination result: 8 recommendations (Last difference ± 0 cases), 0 deficiencies</li> <li>* The strong point is that the efforts for SDGs in collaboration with various stakeholders were actively implemented, including education.</li> </ul>	○	<ul style="list-style-type: none"> <li>● Expand recommendations in periodic ISO 14001 audits and continue to maintain 0 deficiencies</li> </ul>
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>● Reduce by 1% compared to previous fiscal year on an operating store basis</li> <li>● Continue to expand the introduction of LED lighting</li> </ul>	<ul style="list-style-type: none"> <li>● Significant reduction of 1% compared to the previous fiscal year on an operating store basis</li> <li>● Invested 232 million yen in three stores to install LED lighting</li> <li>Reduced CO<sub>2</sub> by 637t annually</li> </ul>	○	<ul style="list-style-type: none"> <li>● Reduce by 1% compared to previous fiscal year on an operating store basis</li> <li>● Continue to expand the introduction of LED lighting</li> </ul>
Reducing waste and developing a circular economy				
	<ul style="list-style-type: none"> <li>● Food waste recycling rate: 73.2% (up 1.0% from the previous fiscal year)</li> <li>● Waste recycling rate: 70.6% (up 1.0% from the previous fiscal year)</li> <li>● Continue to improve waste recycling rate through more thorough separation of waste (continuation)</li> </ul>	<ul style="list-style-type: none"> <li>● Food waste recycling rate: 72.6% (up 0.4% from the previous fiscal year)</li> <li>● Waste recycling rate: 70.2% (up 0.6% from the previous fiscal year)</li> </ul>	△	<ul style="list-style-type: none"> <li>● Food waste recycling rate: 73.6% (up 1.0% from the previous fiscal year)</li> <li>● Waste recycling rate: 71.0% (up 0.8% from the previous fiscal year)</li> <li>● Continue to improve waste recycling rate through more thorough separation of waste (continuation)</li> </ul>
Implementing measures to conserve biodiversity				
	<ul style="list-style-type: none"> <li>● Tree planting: 1,500 trees</li> <li>● Green wrapping (targets): 54,009 gifts</li> <li>● Conduct tree planting activities through employee volunteers</li> </ul>	<ul style="list-style-type: none"> <li>● Tree planting: 1,230 trees</li> <li>● Green wrapping: 44,944 gifts</li> <li>● Conducted tree planting activities through employee volunteers (June: Fuefuki City in Yamanashi Prefecture)</li> </ul>	× × ○	<ul style="list-style-type: none"> <li>● Strengthening tree planting activities through promotion of green wrapping, reduction in plastic shopping bags, and use of simple packaging and eco-friendly packaging</li> <li>Target rate of decrease in shopping bag use: 30%</li> <li>Target number of trees: 1,500 trees</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>● Environmental e-learning courses: Taken by all employees</li> <li>● Number of employees taking the Eco Test: 140</li> <li>Pass rate: 90%</li> <li>● Create the best proposal for the 2nd CSV Idea Competition</li> </ul>	<ul style="list-style-type: none"> <li>● Environmental e-learning courses: Taken by all employees</li> <li>● Include information about social and environmental issues in company newsletter (special feature on SDGs)</li> <li>● Number of employees who took the Eco Test: 128</li> <li>Pass rate: 85.7%</li> <li>● CSV Idea Competition: Achieved over-the-counter sales of fruits cultivated using compost made from exotic fish removed from Lake Biwa, as well as disseminating information about Lake Biwa conservation efforts</li> </ul>	○ △ ○	<ul style="list-style-type: none"> <li>● Provide environmental education to all employees</li> <li>● Number of employees taking the Eco Test: 100</li> <li>Pass rate: 90%</li> <li>● Continue implementation of employee idea competitions that achieve both social contributions and corporate development</li> </ul>

### Environmental Data

Challenges	Unit	FY2017	FY2018	FY2019
Number of stores	Stores	17	15	15
CO <sub>2</sub> emissions*1 *2	t-CO <sub>2</sub>	142,853	123,507	116,173
CO <sub>2</sub> emissions from store operations*1	t-CO <sub>2</sub>	142,241	123,062	115,753
Electricity consumption in store operations *1	GWh	261	221	211
Electricity consumption in store operations *1	1,000m <sup>3</sup>	1,855	1,656	1,583
Consumption of container and packaging materials	t	1,276	1,280	1,281
Waste disposal (recycling rate)	t (%)	24,310(67.3)	21,226(69.6)	21,060(70.2)
Food waste recycling rate	%	69.4	72.2	72.6

\*1 The period of the calculations was conducted from April to March.

\*2 The date represents CO<sub>2</sub> emissions stemming from the use of energy for store, Head Office, corporate sales, and distribution center operations.

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

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Development of human resources				
	<ul style="list-style-type: none"> <li>●New training seminar participants: 1,800 participants (breakdown)                             <ul style="list-style-type: none"> <li>· Self-Directed Sales Area Training Course: 1,200 participants</li> <li>· Career Advancement Course: 600 participants</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>●New training seminar: 1,090 participants (breakdown)                             <ul style="list-style-type: none"> <li>· Self-Directed Sales Area Training Course: 849 participants</li> <li>· Career Advancement Course</li> </ul>                             Concluded in the fiscal year ended February 28, 2019                              ⇒ Replaced by "GLOBIS All-you-can learn" from the fiscal year ended February 29, 2020 onward                              GLOBIS All-you-can-learn seminar: 241 participants                         </li> </ul>	×	<ul style="list-style-type: none"> <li>●New training seminar: 1,200 participants (breakdown)                             <ul style="list-style-type: none"> <li>· Fundamental training using videos (Management support service ClipLine)</li> <li>· Required participants: 200 people (120 new employees in 2020, 80 new employees in 2019)</li> <li>· GLOBIS All-you-can-learn</li> </ul>                             Participants: 1,000                         </li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>●Review annual total working hours (enhance annual statutory holidays)</li> <li>●Encourage taking of annual paid leave (increase maximum number of half-day leave)</li> <li>●Review leave system of partner employees</li> <li>●Further spread awareness of childbirth and childcare support systems</li> </ul>	<ul style="list-style-type: none"> <li>●Annual total working hours: Reduced by 15.5 hours (number of annually scheduled days off revised to 114 days (+ 2 days))</li> <li>●Percentage of annual paid leave taken: 19.7% (+ 1.7%)</li> <li>●Revised the number of days/period length for wedding/funeral leave, childcare leave, and nursing care leave for partner employees to be the same as for regular employees</li> <li>●Percentage of childcare leave taken: 33.8% (+ 5.0%) * Percentage taken by male employees: 28.0% (- 10.1%)</li> </ul>	<p>○</p> <p>○</p> <p>○</p> <p>△</p>	<ul style="list-style-type: none"> <li>●Further review of annual total working hours Target for annual scheduled working hours: 1,867.5 hours (- 77.45 hours) Target for annual days offs: 116 days (+ 2 days)</li> <li>●Percentage of annual paid leave taken: 25%</li> <li>●Percentage of childcare leave taken by male employees: 35%</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>●Number of people to appoint from contractual employees to full-time employees: 50</li> <li>●Hire 5 mid-career specialist employees * Conducted only in first half of FY2019</li> <li>●Percentage of female managers (section manager or higher positions): 15.1% (45 managers)</li> </ul>	<ul style="list-style-type: none"> <li>●Employees appointed as full-time employees: 32 Employees appointed as limited store staff: 28</li> <li>●Mid-career specialist employees hired: 3                             <ul style="list-style-type: none"> <li>· Salespeople specialized in art: 1</li> <li>· Men's clothing fitters: 1</li> <li>· Accounting staff: 1</li> </ul> </li> <li>●Percentage of female managers (section managers): 13.0% (35 managers)</li> </ul>	<p>△</p> <p>△</p> <p>×</p>	<ul style="list-style-type: none"> <li>●Encourage promotion to limited store staff in response to diversification in work styles</li> <li>●Hire 3 mid-career specialist employees</li> <li>●Percentage of female managers (section manager): 20.0% (54 managers)</li> </ul>
Assuring worker health and safety				
	<ul style="list-style-type: none"> <li>●Deploy health promotion activities for employees who have a BMI of 25 or higher and have high risks of lifestyle-related diseases</li> </ul>	<ul style="list-style-type: none"> <li>●Continued rolling out a health campaign using the employee cafeteria to combat metabolic syndrome</li> </ul>	○	<ul style="list-style-type: none"> <li>●Roll out activities that promote health, such as health seminars, and continue to implement campaigns that utilize the employee cafeteria</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2020)		(persons)
Full-time employees*1		2,780
	Male	1,746
	Female	1,034
Part-time staff*2		2,568
	Male	262
	Female	2,305
Number of employees (full-time employees + part-time staff)		5,348
	Male	2,008
	Female	3,339
New graduate employees hired		63
	Male	23
	Female	40
Mid-career employees hired		0
	Male	0
	Female	0

	FY2017	FY2018	FY2019
Average length of service (full-time employees)	22 years 8 months	22 years 8 months	23 years 0 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	222 (5, 118)	220 (8, 116)	183 (7, 101)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	7 (0, 4)	7 (0, 5)	11 (0, 9)
Number of volunteer leave recipients	NA	NA	NA
Number of female managers (percentage)*4	400 (34.0%)	366 (33.7%)	329 (34.8%)
	Team leader	302 (54.7%)	269 (59.0%)
	Section manager	34 (11.1%)	39 (13.1%)
	Division manager	28 (12.0%)	23 (11.3%)
	Corporate officer	3 (13.0%)	2 (8.7%)
Percentage of employees with disabilities*5	2.16%	2.25%	2.22%
Percentage of paid leave taken by full-time employees	27.4%	24.4%	20.8%
Frequency rate of workplace accidents	0.37	0.33	0.69
Severity rate of workplace accidents	0.00	0.01	0.01

\*1 Data includes 101 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 from Helpline for Employees

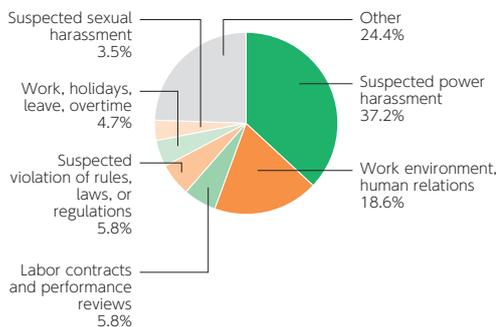
The number of cases received this fiscal year increased by approximately 50% compared to the previous year, with more than 50% arising from power harassment or the working environment. This is very likely due to thorough awareness about the employee helpline (in-house reporting system), and at the same time, employees themselves feeling less hesitance toward using the helpline due to the guarantee of anonymity.

The resolving mechanism are; upon confirmation of the facts and clarification of the causes and issues, we work on measures to improve and prevent reoccurrence through advice from our lawyers and collaboration with the relevant departments.

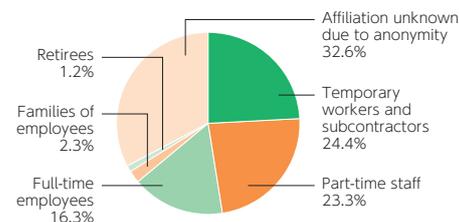
We continue to strive to strengthen compliance with the law and office regulations, and we periodically conduct training for employees about compliance and risk management.

Going forward, we will continue to work on improving the reliability of the Employee Helpline and preventing accidents and incidents from occurring.

## Breakdown of reports by category for FY2019 Reports received: 86 (up 50.9% from the previous fiscal year)



## By user category



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

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Offering eco-friendly products	<ul style="list-style-type: none"> <li>Continue hosting Alaska Sustainable Seafood fair and listing on oseibo (winter gift) catalogs</li> </ul>	<ul style="list-style-type: none"> <li>Alaska Sustainable Seafood fair conducted at 12 stores (4 more than the previous fiscal year) and listed in ochugen (mid-year gift) and oseibo (winter gift) catalogs</li> <li>Sold Valentine's chocolates that included donations to developing countries (new)</li> </ul>	○	<ul style="list-style-type: none"> <li>Strengthen proposals for products with certification symbols, such as Alaska Seafood</li> <li>Strengthen the development of eco-friendly products, using organic and recycled materials</li> </ul>

# Akachan Honpo Co., Ltd.

Website: <https://www.akachan.jp/company/csr/> (in Japanese)

Number of stores as of fiscal year ended February 29, 2020: 117 (including 1 FC store)

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

### FY2019 Targets/Results and FY2020 Targets

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

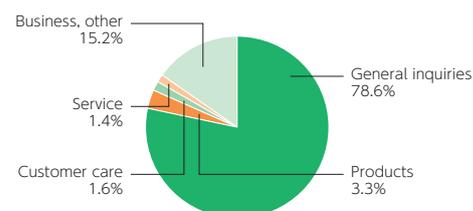
Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Supporting childcare and elderlies				
	● Increase the number of internal certified employees (maternity advisors) and aim to place dedicated customer care staff (maternity advisors who primarily assist with preparations for childbirth) in all stores (except new stores)	● The number of certified maternity advisors doubled to 208 and the number of dedicated staff was 129, but the number of stores was 91, so they were unable to be placed in all stores	△	● Aim to place dedicated maternity advisors (maternity advisors who primarily assist with preparations for childbirth) at all stores (other than new stores)
Providing support for disasters				
	● Respond when there are requests from disaster areas	● Collected disaster support funds and donations for September 2019 Typhoon No. 15 ● Collected disaster support funds and donations for October 2019 Typhoon No. 19	○	● Respond when there are requests from disaster areas

## Providing Safety and Reliability through Products and Stores

### Data from Customer Support

Operates customer support for 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, and uncertainties. In order to alleviate such anxieties 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 customer call center staff more than ever before.

Breakdown of inquiries by category for FY2019  
Inquiries received: 16,916  
(up 4.6% from the previous fiscal year)



FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>● Target number of lot defects: 25 cases or fewer</li> <li>● Establish the same target as the previous fiscal year. In addition to preventing occurrence at product inspection, which is the final stage of checks before delivery, identify the cause of product defects, apply the lessons learned, and execute the measure to prevent from the reoccurrence.</li> </ul>	<ul style="list-style-type: none"> <li>● Number of lot defects: 21 (including 10 private brand products)</li> <li>● Target achieved However, there were many cases of returns due to the need for re-inspection, and the total annual return results (excluding consignments) were slightly higher than the results for the previous fiscal year</li> <li>● We selected main business partners to work on improvements, but there were differences in effectiveness and progress</li> </ul>	○	<ul style="list-style-type: none"> <li>● Number of lot defects: 20 cases or fewer, and 80% decrease in total returns from the previous fiscal year</li> <li>● Work to prevent product-related accidents by identifying their root causes and taking countermeasures</li> </ul>
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> <li>● Proactively set up a space that can be used both for relaxation and as an event venue</li> </ul>	<ul style="list-style-type: none"> <li>● Event and relaxation spaces actively set up in new stores</li> </ul>	△	<ul style="list-style-type: none"> <li>● Proactively set up a space that can be used both for relaxation and as an event venue</li> </ul>
Providing appropriate information				
	<ul style="list-style-type: none"> <li>● Conduct in-house training regarding laws and regulations related to FT (4 times)                             <ul style="list-style-type: none"> <li>· Act against Unjustifiable Premiums and Misleading Presentations</li> <li>· Abuse of dominant bargaining position</li> <li>· Subcontracting Act</li> <li>· Act Concerning Special Measures for Pass-on of Consumption Tax</li> </ul> </li> <li>● Share CSR activities within the company by issuing in-house version of CSR report four times each year</li> </ul>	<ul style="list-style-type: none"> <li>● Number of internal training sessions: 8                             <ul style="list-style-type: none"> <li>· Training sessions held for Subcontracting Law (manufacturing consignment): 2</li> <li>· Training sessions held for Act Concerning Special Measures for Pass-on of Consumption Tax: 4</li> <li>· Implemented training for new buyers</li> <li>· Explained the concept of normal prices at product sales meetings</li> </ul> </li> <li>● Shared CSR activities internally four times during the year</li> </ul>	○	<ul style="list-style-type: none"> <li>● Create detailed materials on the Act against Unjustifiable Premiums and Misleading Presentations and release them internally</li> <li>● Conduct training (practical measures) for new buyers for product categories related to the Subcontract Act</li> <li>● Share CSR activities internally four times a year</li> </ul>
Responding sincerely to customers' opinions				
	<ul style="list-style-type: none"> <li>● The goal is the same as for the previous fiscal year, which is to not exceed the previous fiscal year's results. Because there are differences in responding levels among the stores, create an FAQ for stores about first response to customers, etc., so that all stores can respond at the same service level, improve initial responses, and report accuracy so as to minimize the complaints</li> <li>● 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</li> </ul>	<ul style="list-style-type: none"> <li>● Complaints about customer services: 510 (a decrease of 16 cases compared to the previous fiscal year, or 97%) PPM*: While the number of complaints was 26.2 (increase of 0.6, or 102% compared to the previous fiscal year), the PPM worsened. While the overall number of cases decreased, the number of cases related to provided services increased by 20 cases from the previous year. The main cause was the lack of information about various promotions, coupons, and rewards</li> <li>● Compliments: 60 (an increase of 11 cases compared to the previous fiscal year, or 122%) We worked to improve motivation for part-time workers by immediately sharing not only complaints, but also compliments (expressions of gratitude) with headquarters and store staff</li> </ul>	△	<ul style="list-style-type: none"> <li>● The goal is the same as for the previous fiscal year, which is to not exceed the previous fiscal year's results Promptly disclose timely topics and trends with seasonal complaint based on feedback from customers during the previous week and complaints from the same week of the previous year, which will lead to reduced complaints due to advance preparation In addition, utilize customer and store feedback to continue to respond with a customer-first mindset, propose smooth store operations, and continue to provide manuals in collaboration with headquarters Aim to make active use of chatbots (automatic conversation programs), which were introduced the previous fiscal year, for staff and focus on creating an environment where stores can respond to inquiries quickly and at any time, as well as provide weekly updates</li> </ul>

\* 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

FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>● Apita Shinmoriyama store Lighting upgrade (reduction of approximately 10.4 tons on CO<sub>2</sub> annually)</li> </ul>	<ul style="list-style-type: none"> <li>● Apita Shinmoriyama store Lighting upgrade (reduction of approximately 28.0 tons on CO<sub>2</sub> annually)</li> </ul>	○	<ul style="list-style-type: none"> <li>● LALA GARDEN TSUKUBA GHP (gas heat pump) air conditioning upgrade (approximately 158 tons on CO<sub>2</sub> annually)</li> </ul>
Reducing waste and developing a circular economy				
	<ul style="list-style-type: none"> <li>● Plastic bag turndown rate: 8.0%</li> </ul>	<ul style="list-style-type: none"> <li>● Plastic bag turndown rate: 6.1%</li> </ul>		<ul style="list-style-type: none"> <li>● Plastic bag turndown rate: 8.0% (- 6/30)</li> <li>● Plastic bag non-purchase rate: 60% (7/1 - 2/28)</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>● In addition to "June Environment Month," proactively raise awareness employees through the internal newsletter and company-wide business correspondence</li> <li>● From June, which is Environment Month, to February 2020, carry out collection of empty contact lens cases for recycle companywide</li> </ul>	<ul style="list-style-type: none"> <li>● Proactively raise employee awareness about the environment through internal newsletter (4 times a year)/companywide business correspondence (once a month)</li> <li>● From June, which is Environment Month, to February 2020, carry out collection of empty contact lens cases for recycle companywide</li> </ul>	○	<ul style="list-style-type: none"> <li>● Proactively raise employee awareness about the environment through internal newsletter (four times a year)/companywide business correspondence (once a month)</li> <li>● Carry out collection of empty contact lens cases companywide in the fiscal year ending February 28, 2021 too</li> </ul>

## Environmental Data

Challenges	Unit	FY2017	FY2018	FY2019
CO <sub>2</sub> emissions* <sup>1</sup> * <sup>2</sup>	t-CO <sub>2</sub>	16,669	15,822	14,645
CO <sub>2</sub> emissions from store operations (per store)* <sup>1</sup>	t-CO <sub>2</sub>	16,432(144)	15,615(142)	14,478(124)
Electricity consumption in store operations * <sup>1</sup>	GWh	29	29	27
Water usage in store operations* <sup>1</sup>	1,000m <sup>3</sup>	22	28	20
Plastic bag turndown rate	%	5.8%	5.6%	6.1%

\*1 The period of the calculations was conducted from April to March.

\*2 CO<sub>2</sub> emissions stemming from the use of energy in store operations and in headquarters operations.

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

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Development of human resources				
	● In addition to new recruits, conduct training for all employees in second year and third year of employment (grade-specific training for younger employees)	● Held training for participation by young employees (subcommittee)	○	● Increase the number of sessions recommended for young employees and hold correspondence training twice a year
Implementing fair assessment and treatment of employees				
	● Percentage of employees who take leave: 100%	● Percentage of employees who took leave: 100%	○	● Percentage of employees who take leave: 100%
Achieving a work-life balance				
	● Increase percentage of employees taking childcare leave to 30% or more ● Monthly overtime per person: Less than 14 hours	● Percentage of employees who took childcare leave: 23.0% ● Monthly overtime per person: 8.4 hours	× ○	● Keep each employee's overtime below 6 hours
Effective use of diverse human resources				
	● 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	● Five stores without part-time leaders (excluding new stores) remaining ● Percentage of female managers (section managers): 22.5% ● Maintained the current level of employees working childcare-related reduced hours	△	● Make it such that no stores lack a part-time leader ● Percentage of female managers (section manager or higher): 30%
Assuring worker health and safety				
	● Workplace accidents: less than 30	● Workplace accidents: 27	○	● Workplace accidents: less than 30

## Personnel Data

Breakdown of number of employees (as of the end of February 2020)		(persons)
Full-time employees*1		1,012
	Male	586
	Female	426
Part-time staff*2		1,207
	Male	60
	Female	1,147
Number of employees (full-time employees + part-time staff)		2,219
	Male	646
	Female	1,573
New graduate employees hired		92
	Male	38
	Female	54
Mid-career employees hired		14
	Male	9
	Female	5

	FY2017	FY2018	FY2019
Average length of service (full-time employees)	14 years 10 months	14 years 7 months	14 years 7 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	108 (0, 64)	73 (0, 41)	132 (0, 94)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	4 (0, 4)	3 (0, 3)	1 (0, 1)
Number of volunteer leave recipients	NA	NA	NA
Number of female managers (percentage)**4	188 (33.7%)	189 (34.4%)	201 (36.0%)
	Team leader	120 (46.0%)	131 (49.2%)
	Section manager	67 (25.6%)	55 (22.3%)
	Division manager	1 (3.6%)	3 (8.1%)
	Corporate officer	3 (18.8%)	1 (8.3%)
Percentage of employees with disabilities*5	2.10%	2.10%	2.26%
Percentage of paid leave taken by full-time employees	41.2%	36.6%	38.6%
Frequency rate of workplace accidents	0.35	0.34	0.33
Severity rate of workplace accidents	0.01	0.04	0.03

\*1 Data includes 18 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.

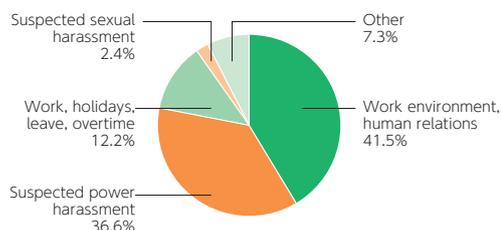
## Data from Helpline for Employees

Due to insufficient communication, there were many reports received from employees who felt they were subject to power harassment. Throughout the company, we work continuously to convey the importance of communication for all.

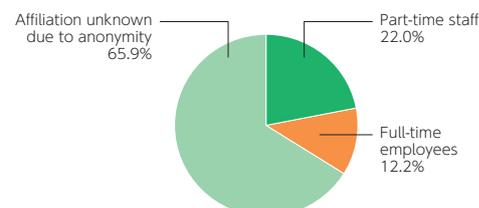
Continuing in FY2020, the education department will lead compliance training in cooperation with staff who deal in fair trade, quality management, and legal affairs issues, and so forth, for new recruits through to specialist employees.

### Breakdown of reports by category for FY2019

Reports received: 41  
(down 6.8% from the previous fiscal year)



### By user category



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

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Supporting careers and seniors				
	<ul style="list-style-type: none"> <li>●Continue to maintain the system for actively accepting work experience participation</li> <li>●Continue to hold children's food education classes for children to gain knowledge about food</li> </ul>	<ul style="list-style-type: none"> <li>●Work experience participation results: 334 students from 121 junior high schools 21 students from elementary schools</li> <li>●Food education class held: 9 times</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>●Continue to maintain the system for actively accepting work experience participation, and accept high school students for class assignments</li> <li>●Expand areas and stores where food education classes are held</li> </ul>
Cooperating with local community revitalization				
	<ul style="list-style-type: none"> <li>●Continue to conduct procurement via relay cropping</li> <li>●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</li> <li>●Training for supporters of people with dementia: 300 people</li> </ul>	<ul style="list-style-type: none"> <li>●Primarily featured leafy vegetables such as lettuce, cabbage, and Chinese cabbage</li> <li>●Child-rearing support agreements were concluded with all local governments where Denny's stores are located Three new food loss reduction agreements were concluded</li> <li>●Dementia supporter training session: Not held</li> </ul>	<ul style="list-style-type: none"> <li>△</li> <li>○</li> <li>×</li> </ul>	<ul style="list-style-type: none"> <li>●New investigations into contract methods for expansion of and coexistence with rice production areas (Example: multi-year contracts)</li> <li>●Continue cooperation on childcare support and expand agreements for reducing food loss</li> <li>●Support various local welfare facilities, etc., by donating ingredients to food banks</li> </ul>
Providing support in times of disaster				
	<ul style="list-style-type: none"> <li>●Continue to proactively respond to requests received in the event of disaster from the municipalities</li> </ul>	<ul style="list-style-type: none"> <li>●Continued the agreements for supporting people having difficulties returning home after a disaster in nine prefectures and cities and the Union of Kansai Governments</li> </ul>	<ul style="list-style-type: none"> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>●Continue to proactively respond to requests received in the event of disaster from the municipalities</li> </ul>

## Providing Safety and Reliability through Products and Stores

### Data from Customer Support

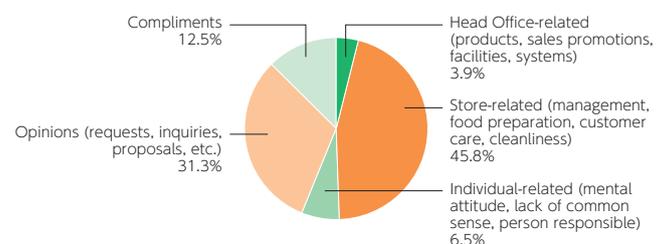
In FY2019, the number of complaints received decreased to 91.8% compared to the previous fiscal year, and the number of compliments also decreased to 88.3%. The top complaints related to food preparation were that the food was cold and the presentation was sloppy, and the top complaint related to customer service was that the responses to complaints were bad.

Complaints: 3,033 to 2,785 cases (a decrease of 248 cases, or 8.2% from the previous fiscal year)

Compliments: 913 to 807 cases (a decrease of 106 cases, or 11.7% from the previous fiscal year)

In FY2020, we will work to improve customer satisfaction by responding to each opinion with sincerity, with the aim of reducing the number of store-related complaints received and increasing the number of compliments received.

### Customer support inquiries by topic for FY2019 inquiries received: 5,933 (down 11.0% from the previous fiscal year)



## FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>● Improve the accuracy of e-BASE contents (nutritional components)</li> <li>● Reduce number of store-related complaints to 90% compared to the previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>● Supported adding allergen information requested by the Consumer Affairs Agency to the recommended display items</li> <li>● Re-confirmed allergen information for all ingredients and completely reviewed operational rules for changing ingredients</li> <li>● Number of complaints related to stores: 91.8% compared to the previous fiscal year</li> </ul>	○	<ul style="list-style-type: none"> <li>● Further strengthen cooperation with manufacturers with regard to nutritional information and allergen labeling for new and changed products. Perform checks within departments, assign a person to be in charge, and periodically confirm</li> <li>● Store complaints: 60% or fewer compared to the previous fiscal year</li> <li>● Number of compliments: 100% or more compared to the previous fiscal year</li> </ul>
Assuring appropriate information provision				
	<ul style="list-style-type: none"> <li>● Provide information in English on our website for the 20 equivalent items in the second half of FY2019</li> </ul>	<ul style="list-style-type: none"> <li>● Provided information in English on our website for the 20 equivalent items in October 2019</li> </ul>	○	<ul style="list-style-type: none"> <li>● In the first half of FY2020, release 21 equivalent items, with almonds added to the allergen information, on menu-related media and the website</li> </ul>
Responding sincerely to customers' opinions (organization)				
	<ul style="list-style-type: none"> <li>● Share the feedback situation with management on a weekly basis to allow for quick improvements. Target is 80% complaints and 120% compliments when compared to the previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>● For sales executives, focused on the worst complaint items, shared causes and improvement measures based on specific cases, and provided guidance to stores</li> </ul>	△	<ul style="list-style-type: none"> <li>● Share customer feedback with executives (department managers) on a weekly and monthly basis, and ensure all executives have a shared understanding of problems and work to address them</li> </ul>
Providing support in times of disaster				
	<ul style="list-style-type: none"> <li>● Continue to proactively respond to requests received in the event of disaster from the municipalities</li> </ul>	<ul style="list-style-type: none"> <li>● Continued the agreements for supporting people having difficulties returning home after a disaster in nine prefectures and cities and the Union of Kansai Governments</li> </ul>	○	<ul style="list-style-type: none"> <li>● Continue to proactively respond to requests received in the event of disaster from the municipalities</li> </ul>

## Non-Wasteful Usage of Products, Ingredients and Energy

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>● Air conditioners replaced whose functions have reduced over time: 178 units at 55 stores</li> </ul>	<ul style="list-style-type: none"> <li>● Replacement of air conditioners: 249 units, carried out at 89 stores</li> </ul>	○	<ul style="list-style-type: none"> <li>● In addition to replacing individual air conditioners, install solar panels in new stores (target: 3 stores)</li> </ul>
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> <li>● 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</li> <li>● Food waste recycling rate: 50%</li> </ul>	<ul style="list-style-type: none"> <li>● Certification of joint food recycling loop joint among 5 restaurants (Japan's first joint certification within the same industry). Increase of 15 tons/year in food residue recycling</li> <li>● Food recycling rate: 55.3%</li> </ul>	○	<ul style="list-style-type: none"> <li>● Certification of food recycling loop for coffee grounds</li> <li>● Food recycling rate: 56%</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>● Actively encourage all employees to pass the Eco Test by 2020</li> <li>● Target number of employees to take the Eco Test each year: 450</li> </ul>	<ul style="list-style-type: none"> <li>● Number of employees who took Eco Test: 640</li> <li>● Accumulated total: 1,116</li> </ul>	○	<ul style="list-style-type: none"> <li>● Promote Eco Test: 100 examinees per year</li> <li>● * In FY2019 and FY2020, promote examinations primarily for new employees.</li> </ul>

## Environmental Data

Challenges	Unit	FY2017	FY2018	FY2019
CO <sub>2</sub> emissions* <sup>1</sup>	t-CO <sub>2</sub>	75,209	69,638	64,894
CO <sub>2</sub> emissions from store operations* <sup>1</sup>	t-CO <sub>2</sub>	73,161	67,634	62,897
CO <sub>2</sub> emissions from delivery vehicles* <sup>1</sup> * <sup>2</sup>	t-CO <sub>2</sub>	1,889	1,845	1,856
Electricity consumption in store operations * <sup>1</sup>	GWh	121	118	115
Water usage in store operations* <sup>1</sup> * <sup>2</sup>	1,000m <sup>3</sup>	1,493	1,543	1,353
Waste disposal (recycling rate)	t (%)	11,029(29.7)	10,021(24.9)	8,959(22.8)
Food waste recycling rate	%	49.0	49.5	55.3

\*<sup>1</sup> The period of the calculations was from April to March.

\*<sup>2</sup> The values are for Denny's only.

## Supporting the Active Role of Women, Youth and Seniors within and outside the Group

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> <li>● Conduct corporate philosophy education and fundamental training for all employees by 7FS University</li> </ul>	<ul style="list-style-type: none"> <li>● Fundamental training I: Held 79 times (1,359 attendees)</li> <li>● Fundamental training II: Held 48 times (727 attendees)</li> </ul>	○	<ul style="list-style-type: none"> <li>● Practical training for store managers: Held 40 times (for 444 people)</li> <li>● Practical training for leaders and those in charge: Held 27 times (for 196 people)</li> <li>● Hold manager appointment training and single course training</li> </ul>
Assuring fair assessment and treatment of employees				
	<ul style="list-style-type: none"> <li>● Fundamentally revise evaluation system</li> </ul>	<ul style="list-style-type: none"> <li>● Designed system for quantitative evaluation Designed an evaluation system that provides a numerical score using basic items and 54 items related to legal compliance and business performance</li> </ul>	○	<ul style="list-style-type: none"> <li>● Quantitative evaluation system launched (Denny's)</li> </ul>
Achieving a work-life balance				
	Average monthly overtime <ul style="list-style-type: none"> <li>● Full-time employees: 16h.</li> <li>● Contract employees: 16h.</li> <li>● Part-time: 3h.</li> <li>● Monthly rate of leave-taking: 85% or more</li> </ul>	<ul style="list-style-type: none"> <li>● Full-time employees: 16h.</li> <li>● Contract employees: 16h.</li> <li>● Part-time: 3h.</li> <li>● Monthly rate of leave-taking: 95%</li> </ul>	○	<ul style="list-style-type: none"> <li>● Full-time employees: 15h.</li> <li>● Contract employees: 15h.</li> <li>● Part-time: 3h.</li> <li>● Monthly rate of leave-taking: 95% or more</li> </ul>
Making use of diverse human resources				
	<ul style="list-style-type: none"> <li>● Percentage of seniors employed: 7% or more</li> <li>● Number of foreign employees: 350</li> <li>● Percentage of female managers Section manager or higher position: 11% Team leader or higher position: 12%</li> </ul>	<ul style="list-style-type: none"> <li>● Percentage of seniors employed: 7%</li> <li>● Number of foreign employees: 352</li> <li>● Percentage of female managers Section manager or higher position: 9% Team leader or higher position: 27%</li> </ul>	○ ○ △ ○	<ul style="list-style-type: none"> <li>● Percentage of seniors employed: 7% or more</li> <li>● Number of foreign employees: 350 (2.46%)</li> <li>● Percentage of female managers Section manager or higher position: 10% Team leader or higher position: 30%</li> </ul>
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> <li>● Decrease number of occupational accidents at work to 250 or below</li> <li>● Participation rate in regular health checks by employees: 100%</li> <li>● Participation rate in secondary health checks by employees: 100%</li> <li>● Participation rate in health checks by employees who work the late night shift: 100%</li> <li>● Stress check rate: 100%</li> </ul>	<ul style="list-style-type: none"> <li>● Number of occupational accidents at work: 322</li> <li>● Participation rate in regular health checks by employees: 99.6%</li> <li>● Participation rate in secondary health checks by employees: 85%</li> <li>● Participation rate in health checks by employees who work the late night shift: 95%</li> <li>● Stress check rate: 100%</li> </ul>	× △ × △ ○	<ul style="list-style-type: none"> <li>● Decrease number of occupational accidents at work to 300 or below</li> <li>● Participation rate in regular health checks by employees: 100%</li> <li>● Participation rate in secondary health checks by employees: 100%</li> <li>● Participation rate in health checks by employees who work the late night shift: 95%</li> <li>● Stress check rate: 100%</li> </ul>

### Personnel Data

Breakdown of number of employees (as of the end of February 2020)		(persons)
Full-time employees*1		1,159
	Male	943
	Female	216
Part-time staff*2		6,947
	Male	1,753
	Female	5,194
Number of employees (full-time employees + part-time staff)		8,106
	Male	2,696
	Female	5,410
New graduate employees hired		54
	Male	22
	Female	32
Mid-career employees hired		1
	Male	1
	Female	0

	FY2017	FY2018	FY2019
Average length of service (full-time employees)	14 years 8 months	15 years 2 months	15 years 10 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	45 (1, 39)	54 (6, 38)	49 (1, 33)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	1 (0, 1)	0 (0, 0)	1 (0, 1)
Number of volunteer leave recipients	0	4	4
Number of female managers (percentage)*4	277 (28.1%)	268 (28.3%)	228 (25.5%)
	Team leader	268 (30.3%)	216 (27.4%)
	Section manager	9 (10.8%)	7 (9.0%)
	Division manager	0 (0.0%)	1 (7.1%)
	Corporate officer	5 (38.5%)	4 (28.6%)
Percentage of employees with disabilities*5	2.55%	2.74%	2.87%
Percentage of paid leave taken by full-time employees	36.6%	36.6%	58.2%
Frequency rate of workplace accidents	0.78	0.85	1.18
Severity rate of workplace accidents	0.02	0.03	0.02

\*1 Data includes 64 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)

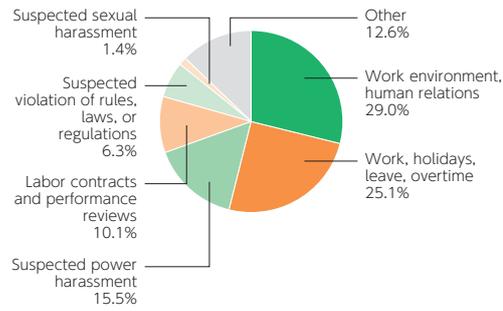
\*4 The percentage of team leaders or higher positions.

\*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

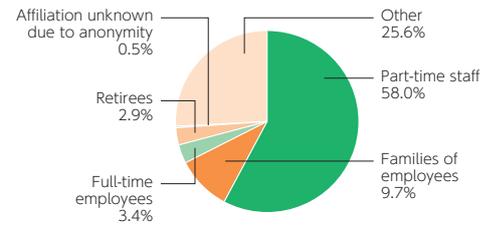
## Data from Helpline for Employees

The revised Act for Overall Promotion of Work Policies was announced in June 2019, and the total number of consultations increased by 111.9% compared to the previous fiscal year (185 in the fiscal year ended February 28, 2019). Awareness of improving the workplace environment has increased in importance, and we will focus on harassment and work-life balance, adapt the content of training depending on the targeted recipients and their job positions, and strive to improve the workplace environment through targeted awareness-raising activities.

### Breakdown of reports by category for FY2019 Reports received: 207 (up 11.9% from the previous fiscal year)



### By user category



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

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Supporting childcare and elderlies				
	<ul style="list-style-type: none"> <li>●Encourage storytelling activities with sponsoring the picture book "Bonolon, Warrior of the Forest" as a pillar activity</li> <li>●Continue donations of picture books</li> <li>●Strengthen cooperation with children's centers</li> </ul>	<ul style="list-style-type: none"> <li>●Held events where Bonolon picture books were read aloud at children's centers, the National Olympics Memorial Youth Center, and PEP Kids Koriyama</li> <li>●Continued donating picture books to children's centers by issuing Bonolon cash cards</li> <li>●Donated to the "Supporting Everyone's Communication Project" of the Foundation for Promoting Sound Growth of Children</li> </ul>	○	<ul style="list-style-type: none"> <li>●Continue to support raising next-generation children primarily through cooperation with the "Bonolon, Warrior of the Forest" picture book for reading aloud</li> </ul>
Promoting regional development				
	<ul style="list-style-type: none"> <li>●Encourage employees to participate in regional contribution activities</li> </ul>	<ul style="list-style-type: none"> <li>●Number of employees who took volunteer leave: 13</li> <li>●Participated in Group national cleanup activities</li> <li>●Held an ATM workshop to foster awareness about the ATM voice guidance service (in collaboration with the Japan Braille Library and Kawasaki City Information and Culture Center for the Visually Impaired)</li> </ul>	○	<ul style="list-style-type: none"> <li>●Encourage employees to participate in regional contribution activities</li> </ul>
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> <li>●Continue to gather and utilize information on anti-social forces to prevent transactions</li> <li>●Continue to implement effective measures to prevent financial crimes, and provide safe and secure payment environments to all customers</li> <li>●Strive to prevent the expansion of financial crimes by strengthening collaboration with investigation agencies and business partners</li> </ul>	<ul style="list-style-type: none"> <li>●Appropriately prevented transactions from anti-social forces by continuing to gather and utilize information on them</li> <li>●Strengthened measures against financial crimes that are evolving and diversifying, by installing new systems</li> <li>●Implemented initiatives to prevent all types of financial crimes by strengthening collaboration with investigation agencies and business partners</li> </ul>	○	<ul style="list-style-type: none"> <li>●Eliminate transactions using the system based on information that is constantly collected</li> <li>●Continue to implement effective measures to prevent financial crimes, and provide safe and secure payment environments to all customers</li> <li>●Strive to prevent the expansion of financial crimes by strengthening collaboration with investigation agencies and business partners</li> </ul>

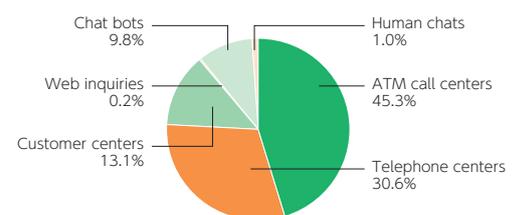
## Providing Safety and Reliability through Products and Stores

### Data from Customer Support

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.

Breakdown of inquiries by category for FY2019  
Inquiries received: 1,102,511  
(up 19.8% from the previous fiscal year\*)



\* From FY2019, the number of inquiries includes inquiries via chatbots and manned chats.

## FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>● Enhance maintenance of the system through continuous training to ensure that BCP is carried out</li> </ul>	<ul style="list-style-type: none"> <li>● BCP training (initial response training for countermeasures headquarters, etc.) was continuously conducted to maintain and strengthen the system Number of training sessions: 23</li> </ul>	○	<ul style="list-style-type: none"> <li>● Expand the assumed scope of BCP and further strengthen the system Number of training sessions planned: 17</li> </ul>
Maintain more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> <li>● Continue to promote ATM functions to meet diverse needs</li> </ul>	<ul style="list-style-type: none"> <li>● Expanded services with entities other than financial institutions Expansion of alliances with fund transfer companies (auPAY, PayPay, Merpay, etc.)</li> <li>● Start of installation of 4th-generation ATMs Number of units installed: 1,150</li> <li>● Conducted a demonstration experiment in which face recognition was used at an ATM to open an account</li> </ul>	○	<ul style="list-style-type: none"> <li>● Promote ATM functions to meet diverse needs</li> </ul>
Responding sincerely to customers' opinions				
	<ul style="list-style-type: none"> <li>● Continue implementing initiatives to improve CS (Customer Satisfaction)</li> <li>● 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</li> <li>● Optimize response channels</li> <li>● Improve product services and respond to new services</li> </ul>	<ul style="list-style-type: none"> <li>● Establish a system for responding to new services Considered measures that assume a large increase in incoming calls due to the start of new services · Gained understanding of customer feedback regarding 4th-generation ATMs and shared them with relevant departments</li> <li>● Expanded the response range of chatbots, improved customer satisfaction by improving AI accuracy, and optimized the response channel</li> </ul>	○	<ul style="list-style-type: none"> <li>● Continue initiatives to improve customer satisfaction</li> <li>● Perform analysis and consider improvements to make ATMs comfortable to use</li> <li>● Prepare for a system that allows for multi-channel inquiries, which are a match for the times</li> </ul>

## Non-Wasteful Usage of Products, Ingredients and Energy

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Measuring appropriately the environmental impact				
	<ul style="list-style-type: none"> <li>● Continue measuring and disclosing greenhouse gas emission volumes (Scope 3 emissions) through the supply chain that the company indirectly discharges</li> </ul>	<ul style="list-style-type: none"> <li>● The entire Seven &amp; i Group continued to identify and disclose Scope 3 emissions (of which our company had 3,557 tons of CO<sub>2</sub>)</li> </ul>	○	<ul style="list-style-type: none"> <li>● Continue measuring and disclosing greenhouse gas emission volumes (Scope 3 emissions) through the supply chain that the company indirectly discharges</li> </ul>
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>● Promote paperless operations</li> </ul>	<ul style="list-style-type: none"> <li>● Reduced amount of documents via paperless meetings and free addresses</li> <li>● Reduced amount of stored documents by reviewing the document storage period</li> </ul>	○	<ul style="list-style-type: none"> <li>● Promote paperless operations</li> </ul>
Reducing waste and developing a circular economy				
	<ul style="list-style-type: none"> <li>● Promote the 3Rs (reduce, reuse, recycle), including in offices</li> </ul>	<ul style="list-style-type: none"> <li>● Rental furniture is partially used</li> <li>● Have removed ATMs fixed/maintained and re-install</li> <li>● Recycled discarded ATMs (100%)</li> </ul>	○	<ul style="list-style-type: none"> <li>● Promote the 3Rs (reduce, reuse, recycle), including in offices</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>● Continue active participation in Seven &amp; i Holdings' volunteer activities on Environment, Regional development, and others</li> <li>● Enhance Seven Bank's own volunteer programs on environment and increase its participants</li> </ul>	<ul style="list-style-type: none"> <li>● Donated food to the food bank "Second Harvest Japan" through food drive activities</li> <li>● Participated in collections of empty contact lens cases for recycle</li> <li>● Conducted environmental conservation activities at Takaonomori Nature School with 31 participants (including family members)</li> </ul>	○	<ul style="list-style-type: none"> <li>● Continue to actively participate in environmental volunteer activities (participate in Seven-Eleven Memorial Foundation environmental conservation activities)</li> </ul>

## Environmental Data

Challenges	Unit	FY2017	FY2018	FY2019
Volume of paper ordered for office automation equipment	1,000 sheets	4,591	4,804	3,298
Electricity use at the offices*	MWh	1,134	1,143	1,141

\* 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 across the Group and in Society

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Development of human resources				
	<ul style="list-style-type: none"> <li>● Increase opportunities for personnel exchange both internally and externally, and support the growth for independent leaders of next-generation</li> </ul>	<ul style="list-style-type: none"> <li>● Mid-career employees sent to business school: 17 people</li> <li>● Newly appointed manager training (coaching, 1 on 1) Number of trainees: 65</li> <li>● Employees sent to domestic graduate school Employees sent: 1 person</li> <li>● Conducted leader cultivation training led by Seven &amp; i Holdings Number of trainees: 2</li> <li>● External training for executive candidates, etc. Number of trainees: 15</li> </ul>	○	<ul style="list-style-type: none"> <li>● Increase opportunities for personnel exchange both internally and externally, and provide a workplace that trains employees and supports the growth for independent leaders of next-generation                             <ul style="list-style-type: none"> <li>· Training for managing subordinates in a remote environment (for managers)</li> <li>· Training for making internal communication more active (for new employees)</li> <li>· Expand programs for self-development</li> <li>· Conduct leader cultivation training led by Seven &amp; i Holdings</li> <li>· External training for manager candidates, etc.</li> </ul> </li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>● Proactively utilize the system to support in good balance between work and childcare/nursing care</li> </ul>	<ul style="list-style-type: none"> <li>● Continue operating the support system for balancing work and family responsibilities, including reduced working hours and leave for reasons such as childcare and nursing care</li> <li>● Introduced staggered hours work arrangement</li> </ul>	○	<ul style="list-style-type: none"> <li>● Proactively utilize the system to support in good balance between work and childcare/nursing care</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>● Promote diversity inclusion</li> <li>● Create environments and awareness that allow all employees to perform to their full potential, regardless of nationality or gender</li> <li>● Activate inner communication</li> <li>● Create opportunities for all employees to participate</li> <li>● Conduct initiatives to improve the engagement</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted lifelong planning seminars</li> <li>● Implemented internal communication promotion measures                             <ul style="list-style-type: none"> <li>· Lunchtime seminars (promotion of business comprehension among employees)</li> <li>· Shuffle lunch time (exchange between departments)</li> </ul> </li> <li>● Conducted engagement survey (employee awareness survey)</li> <li>● Invigorated the company through timely and appropriate recruitment</li> <li>● Started using in-house social media</li> </ul>	○	<ul style="list-style-type: none"> <li>● Promote diversity and its inclusion</li> <li>● Create environment and awareness that allow all employees to perform to their full potential, regardless of nationality or gender</li> <li>● Activate inner communication</li> <li>● Create opportunities for all employees to participate</li> <li>● Conduct initiatives to improve the engagement [As concrete measures]                             <ul style="list-style-type: none"> <li>· Continue the implementation of diversity training for newly appointed managers</li> <li>· Consider expanding the "re-challenge" plan</li> <li>· Implement internal webinars</li> <li>· Implement internal recruitment</li> <li>· Develop a flexible employment system such as staggered hours work arrangement</li> </ul> </li> </ul>
Assuring worker health and safety				
	<ul style="list-style-type: none"> <li>● Improve rate of paid leave taken</li> <li>● Implement measures to reduce overtime in response to restrictions on overtime work</li> <li>● Conduct stress check ups</li> </ul>	<ul style="list-style-type: none"> <li>● Percentage of paid leave taken: 82.7% * As of March 31, 2020</li> <li>● Dedicated 2 separate periods to encouraging employees to leave the office on time</li> <li>● Improved management of working hours and overtime hours through the new employment management system Average overtime per month: 20.9 hours</li> <li>● Conducted stress check ups</li> </ul>	○	<ul style="list-style-type: none"> <li>● Improve rate of paid leave taken</li> <li>● Implement measures to reduce overtime in response to restrictions on overtime work</li> <li>● Conduct stress check ups</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2020)		(persons)
Full-time employees*1		407
	Male	284
	Female	123
Contractual/part-time employees*2		84
	Male	9
	Female	75
Number of employees*3 (full-time employees + contractual/ part-time employees)		491
	Male	293
	Female	198
New graduate employees hired		13
	Male	7
	Female	6
Mid-career employees hired		39
	Male	21
	Female	18

	FY2017	FY2018	FY2019
Average length of service (full-time employees)**4	8 years 2 months	8 years 3 months	8 years 0 months
Number of full-time employees who took childcare leave*5 (males, contractual/ part-time employees)	16 (2, 5)	12 (2, 4)	11 (1, 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	13	8	13
Number of female managers (percentage)*6	55 (17.9%)	55 (19.4%)	63 (23.6%)
	Team leader	34 (32.1%)	38 (37.3%)
	Section manager	23 (12.8%)	22 (16.3%)
	Division manager	0 (0.0%)	0 (0.0%)
	Corporate officer	2 (8.3%)	3 (13.0%)
Percentage of employees with disabilities*7	2.20%	2.31%	2.20%
Percentage of paid leave taken by full-time employees	87.2%	75.7%	78.2%
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	2	3	11

\*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 team leaders or higher positions in FY2017 and FY2018, 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

### FY2019 Targets/Results and FY2020 Targets

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

Challenges	FY2019 Targets and Plans	FY2019 Results and Outcomes	Evaluation	FY2020 Targets
Offering eco-friendly products	● Stable operations of eco-friendly ATMs	● Began installing 4th-generation ATMs, which save energy by approx. 40% compared with 3rd-generation ones, out of concern for the environment	○	● Promote replacement installations of energy-saving 4th-generation ATMs