

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.



Junro Ito,
 Director,
 Executive Officer
 Senior Officer of the Corporate
 Social Responsibility Department

In recent years, there has been an increase in issues that cannot be overlooked if a sustainable society is to be developed. These include dramatic changes in the environment encompassing society and corporate management, such as the rapid aging and declining population in Japan and global climate change. In this situation, and considering the announcement of Japan's Stewardship Code*¹ and Japan's Corporate Governance Code*², there is clearly a strong requirement to be aware of social issues, engage in corporate management from a medium- to long-term perspective based on dialogue with stakeholders, and disclose information in a highly transparent manner.

Seven & i Holdings engaged in dialogue with stakeholders during the year ended February 28, 2015, and decided on five material issues. In this report, we refer to these five material issues as our "promises" and will introduce them in detail while looking back at CSR initiatives to date. Prioritizing resolution of these issues will create shared value for both society and companies, which we think is valuable not only for social contributions, but also for the development of our business.

Going forward, to continue as a sincere company trusted by all we must earnestly turn our attention to the expectations and requirements of stakeholders and actively work toward solving social issues in our business through the promotion and development of products and services to realize the Five Promises.

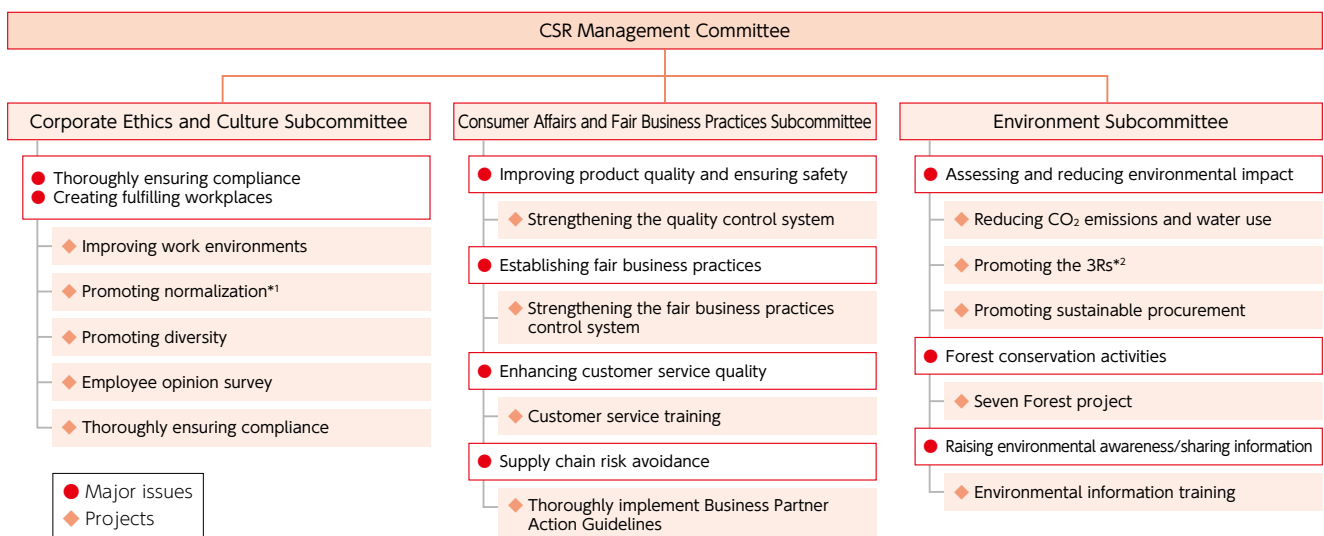
*1 Japan's Stewardship Code

A set of principles which stipulate the responsibility of institutional investors to increase medium- to long-term investment return for customers and beneficiaries by enhancing medium- to long-term corporate value through dialogue (A Financial Services Agency council of experts formulated the code in February 2014).

*2 Japan's Corporate Governance Code

The main principles related to the realization of effective corporate governance that were decided for companies to achieve sustainable growth and enhance medium- to long-term corporate value (The Financial Services Agency Council of Experts Concerning the Corporate Governance Code released a final proposal in March 2015)

Organization of CSR Management Committee



*1 Normalization: enabling everyone to take part in social activities in a range of areas, irrespective of age or ability

*2 3Rs: Reduce, Reuse, and Recycle

Each subcommittee is engaged in projects in which it implements measures in accordance with major issues.

Organization of CSR Management Committee

Seven & i Holdings seeks to promote Group-wide CSR activities that are effective and efficient. To this end, we hold regular, twice-yearly CSR Management Committee meetings where we offer guidance and make improvements based on reports received from the three subcommittees. The meetings also help to strengthen collaboration between the holding company and operating companies and the CSR management framework.

Corporate Ethics and Culture Subcommittee

The Corporate Ethics and Culture Subcommittee aims to ensuring compliance and create fulfilling workplaces, mainly for Group employees.

Ensuring compliance means making everyone aware of the Corporate Creed and Corporate Action Guidelines and performing timely confirmation of the establishment and implementation status of compliance at each Group company.

In our initiatives to create fulfilling workplaces, we are working to improve work environments and making progress on promoting active roles for diverse human resources, including women and people with disabilities.

To enable timely confirmation and assessment of the dissemination and acceptance of these initiatives, an opinion survey is conducted among Group employees every second year. Group companies improve on issues based on analysis of the results of this survey.

Consumer Affairs and Fair Business Practices Subcommittee

The Consumer Affairs and Fair Business Practices Subcommittee aims to improve product quality and ensure safety in the products and services handled at Group companies. It also strives to disclose appropriate and clear information that helps customers to select and use products.

To improve product quality and ensure safety, the Subcommittee aims to establish and strengthen its own quality levels and control systems based on Group-wide quality policies.

In disclosing appropriate and clear information, purchasing staff at each Group company are notified of the latest work-related information, such as changes in laws, and regularly receive training and education.

Furthermore, to ensure that we meet our social responsibilities regarding products and services across the entire supply chain, we ask business partners to understand and implement the Seven & i Holdings Business Partner Action Guidelines, and regularly confirm and assess their compliance. Additionally, to ensure fairness and transparency in our relationships with business partners, we have enhanced employee training and set up a dedicated external contact for business partners to secure fair trade practices.

Environment Subcommittee

The Environment Subcommittee works through business activities to reduce CO₂ emissions and make effective use of limited resources.

In reducing CO₂ emissions, we assess environmental loads at each stage of the supply chain from product development through production, shipment, and sales and take steps to reduce CO₂ emissions. We also strive to ensure compliance with laws and regulations related to the environment, such as those dealing with chlorofluorocarbons.

To make effective use of limited resources, we promote foodstuff recycling and reduction of waste, effective use of forest thinning and recycled materials, preservation of diversity and procurement of sustainable raw materials.

In addition, we are utilizing the Group's business characteristics as a social infrastructure to expand commercial recharging services for environmentally conscious automobiles such as electric vehicles and plug-in hybrids, to advance the environmental business in response to customers' needs.

To promote these initiatives within the Group, we are engaged in various activities to raise employees' awareness. For example, we conduct regular environmental education for Group employees, work to raise awareness through events in Environment Month in June, promote acquisition of the Certification Test for Environmental Specialists (Eco Test), undertake conservation activities at Seven Forest and take part in environmental exhibitions for eco-products.

CSR Management

Targets and Progress by Each Subcommittee

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

Major FY2015 Targets	Results for FY2015	Evaluation	Plans for FY2016
Corporate Ethics and Culture Subcommittee			
Thoroughly ensuring compliance. Creating fulfilling workplaces			
Check the progress of education programs on the basic components and conduct follow-up	Continued to check progress of education at Group companies and conduct follow up	△	Construct e-learning system to support CSR education for Group employees and commence test implementation
Support operating companies that permanently employ more than 101 workers to hire people with disabilities in response to the increase in the number of companies required to pay the employment levy as of April 2015	<ul style="list-style-type: none"> Provided advice on hiring for operating companies concerned Achieved employment rate for people with disabilities of 2.29% (Groupwide) 	○	<ul style="list-style-type: none"> Support operating companies that permanently employ more than 101 workers to hire people with disabilities Maintain or improve on the statutory employment rate at the five applicable Group companies
Promote the utilization of the Seven & i Holdings Normalization Support Guide and conduct hands-on learning sessions and visits	<ul style="list-style-type: none"> In May held a briefing session on use of the Seven & i Holdings Normalization Support Guide Held Normalization Hands-On Learning Sessions (five times) for personnel in charge of education to learn how to conduct hands-on learning sessions 	○	Cognitive impairment supporter training course held
For standards relating to work environment improvement (overtime work and use of holidays and leave), promote the sharing of information among Group companies to achieve standards and make further improvements	Shared examples of initiatives at each Group company every month and held meeting for sharing information on revisions of labor laws	○	<ul style="list-style-type: none"> Promote sharing of information relating to work environment improvements Create awareness-raising tools for employees to promote use of paid leave
Promote sharing of examples of measures at operating companies to improve "ensuring compliance" and "job fulfillment" based on the analysis result of the first employee opinion survey	Shared each operating company's examples at the four annual meetings of the Corporate Ethics and Culture Subcommittee	○	<p>Propose and implement new improvement measures within the Group and operating companies based on the analysis result of the second employee opinion survey conducted in 2015</p> <p>Establish compliance promotion project for creating standards and systems at all Group companies for preventing compliance violations, monitoring, and responding appropriately</p>
Identify issues with health enhancement initiatives, set targets, and create an action plan	Formulated Health Declaration 2018 (set KPIs for ratio of employees with BMI of 25 or over and ratio of smokers to be achieved by the fiscal year ending February 28, 2019)	○	<ul style="list-style-type: none"> Gather information on operating company strategies for employee health promotion and examine Group strategies Promote use of MY HEALTH WEB and hold health promotion campaigns
Develop an organizational structure to engage in health management	In July established the Health Management Committee chaired by the President and with members including people responsible for human resources, the managing director of the Health Insurance Union, and the person responsible for the health management center	○	
Introduce a health management system for enhancing the health of employees	Launched the health management portal website MY HEALTH WEB in October	○	
Diversity Promotion Project			
Expand the number of events at operating companies for building networks among women	Increased the number of operating companies conducting community activities for female employees involved in childcare and seminars, etc., for female managers	○	Continue and advance community activities and awareness-raising for changing women's awareness
Increase the number of companies providing orientation to employees who returned from childcare leave and review how the orientation is run	Increased the number of operating companies providing orientation and enhanced the content	○	
Hold events for fathers to encourage greater participation in the childcare process	<ul style="list-style-type: none"> Held the Ikumen Promotion Program for male employees involved in childcare five times Examined introduction of the childcare leave system 	○	Continue to hold events for fathers to encourage greater participation in the childcare process
Hold awareness-raising events for managers	Held new diversity management seminars four times with 1,225 attendees from all Group companies	○	Continue to hold awareness-raising events for managers
Create a handbook for managers	Created the Diversity Management Handbook. Used in management training at all Group companies	○	
Establish a year-round column specializing in the promotion of women's involvement in the workplace internal newsletters	Published a monthly corner called "Cheering Working Women" for the internal newsletter distributed to 70,000 employees Groupwide	○	Distribute internal notices for raising awareness of diversity promotion
Continue with external communications	<ul style="list-style-type: none"> Received the Prime Minister's Award at the Leading Companies Where Women Shine Awards established by the Cabinet Office Received the 6th Corporate Activity Award (FY2014) from the Tokyo Stock Exchange 	○	Continue with external communications
			Identify issues to be addressed for achieving both work and family care

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

Major FY2015 Targets	Results for FY2015	Evaluation	Plans for FY2016
Consumer Affairs and Fair Business Practices Subcommittee			
(1) Responding sincerely to customer opinions			
Hold Groupwide seminar for apparel and household item buyers	Held seminar for apparel and household item buyers with 433 attendees	○	<ul style="list-style-type: none"> Hold Groupwide joint seminar for apparel and household item buyers Help buyers and quality control managers acquire formal qualifications (QC test and TES qualification)
Further improve quality control system at Group companies and formulate a Quality Policy	Improved quality control system at Group companies (formulated own quality standards and quality policy)	○	Further improve quality control system at Group companies (quality control standard implementation management)
Review own guidelines relating to labeling of food products and menus	Reviewed own guidelines relating to labeling of food products and menus	○	Strengthen inspection system following expansion of <i>Seven Premium</i> private brand manufacturing plants
(2) Establishing fair business practices			
Continue to build management and training systems to ensure fair trading practices among Group companies	<ul style="list-style-type: none"> Upgraded the labeling management system following revision of the Act against Unjustifiable Premiums and Misleading Representations Shared initiatives by each company and conducted follow-up 	○	Continue to build management and training systems to ensure fair trading practices among Group companies
Continue to hold regular training on the Subcontract Act and the Anti-Monopoly Act	Held joint training in March and October with 127 attendees	○	<ul style="list-style-type: none"> Continue to hold regular training on the Subcontract Act and the Anti-Monopoly Act Ensure training content is established using e-learning
Share response measures among Group companies in advance of the next consumption tax hike slated for 2015	Shared status of government response to tax hike to 8% in April 2014 and conducted follow-up at each company	○	Conduct follow-up at each company from status of response to tax increase to 8% in advance of further tax hike to 10% in April 2017
Environment Subcommittee			
(1) Understanding and reducing environmental impacts			
Increase the number of operating companies subject to third-party verification of GHG emissions from 9 to 10	Conducted third-party verification of GHG emissions at 10 companies	○	Calculated Scope 3 emissions for six companies
<ul style="list-style-type: none"> Promote food recycling Increase the number of PET bottle collection machines 	Installed around 250 automatic PET bottle collection machines at IY, YB, and York-Mart	○	Install machines at SEJ in addition to the operating companies that currently have them
Expand the scope of ISO 14001 certification	Sogo & Seibu, SEJ, and Seven & i Food Systems have acquired certification; IY Foods is currently preparing for acquisition	○	Aim for acquisition by four operating companies with the acquisition by IY Foods
(2) Forest conservation activities			
Expand the number of employee volunteers	1,490 volunteers including Group employees and franchisees of SEJ participated in Seven Forest preservation activities at 15 locations throughout Japan	○	Aim to have at least 1,500 participants per year in Seven Forest preservation activities. In particular, aim to have at least 100 participants, mainly local employees, at the Nagano Seven Forest preservation activities in both spring and autumn
Increase the number of eco-friendly products	<ul style="list-style-type: none"> Used thinning materials for part of the <i>SEVEN CAFÉ</i> hot beverage cups, reducing CO₂ emissions on incineration by around 20% Used "eco nano labels" (page 44) on <i>Golden Bread</i> 	○	<ul style="list-style-type: none"> Develop environmentally friendly products and expand use of environmentally friendly packaging materials (switch to non-aluminum cartons for alcohol to enable recycling) Expand use of environmental labels (eco nano label expansion for <i>Seven Premium Select Fresh Eggs</i>)
(3) Raising environmental awareness/sharing information			
Enhance employee training and challenge employees to pass the Certification Test for Environmental Specialists	598 employees took the Certification Test for Environmental Specialists. 487 passed for a pass rate of 81.4%	○	Aim to have at least 1,000 employees take the Certification Test for Environmental Specialists, with a pass rate of at least 80%