



## 11. North America

Seven & i Holdings maintains convenience stores in U.S. and Canada.

	<b>7-Eleven, Inc.</b> →Page.2 	<b>Seven-Eleven Hawaii, Inc.</b> →Page.9 
Net sales (¥ Million)	2,834,464	30,270
Number of stores	8,297	60

## 7-Eleven, Inc.

### ■ History

The Southland Corporation, the predecessor of 7-Eleven, Inc., was established in the United States in 1927. The store name was changed to 7-Eleven in 1946, to reflect the store hours, which ran from 7 in the morning to 11 at night. As of the end of December 2014, there are 7,803 7-Eleven stores in the United States, and 494 in Canada.



### ■ Environment

#### □ Reducing Environmental Impact

Reducing the company's impact on the environment and preserving natural resources remains a primary focus for 7-Eleven, Inc. (SEI). In 2014, SEI continued to make progress toward this goal by investing in a variety of energy and sustainability programs that increase efficiency and reduce waste and resource consumption. As a result, the company achieved an annualized reduction of CO<sub>2</sub> emissions of an estimated 298,442 metric tons and annualized energy cost savings of approximately \$45 million.

#### **2014 initiatives include:**

##### **Promoting Energy Conservation Through LED Lighting**

In 2014, SEI continued to expand its LED lighting program, a feature element within the company's energy-efficient store design standard. The LED lighting program is retrofitted in existing stores and implemented in new stores. LED lights are energy efficient, eliminate the use of hazardous materials and comply with local regulations to reduce light pollution. In addition, they improve the quality of lighting to support store safety and enhance the customer shopping experience. Since introducing the program in 2011, more than 4,300 stores now feature LED lighting and remains a significant contributor to the company's overall CO<sub>2</sub> reduction initiatives.



## Managing Energy Consumption

To strengthen SEI's energy management strategy, in 2014, the company continued to roll out energy management systems (EMS) in stores to monitor, control and optimize the performance of HVAC and refrigerant equipment, which yield significant energy consumption. EMS enables remote control of HVAC and other energy-consuming equipment, and the real-time data obtained is used to perform self-diagnostic and optimization routines on a frequent basis to reduce energy consumption and manage costs. Nearly 3,500 stores have EMS installed.

## Water Conservation

SEI understands that efficient use of water helps reduce the demands on our water supply and preserve this essential natural resource. To reduce SEI's water consumption, in 2014 the company continued to install low-flow aerator faucets as part of the standard energy-efficient design plan for all new stores. More than 4,000 stores have the water-saving faucets since the company introduced the program in 2012.

### 【Number of 7-Eleven, Inc. stores, and store operation environmental data】

	2012	2013	2014	2015 Target
Stores	8,118	8,292	8,297	8,574
Electricity consumption (GWh)	1,854	2,099*1	2,161*1	2,221
CO2 emissions (1,000 tons-CO2)*1,2	1,203	1,011*3	1,040*3	1,117
Water consumption*1 (1,000 m3)	6,707	8,966	9,084	9,234
Plastic bag consumption (tons)	1,390	2,985*4	3,231	3,311

\*1 Energy and water consumption is modeled for stores where actual values are not available.

\*2 Values for USA and Canada up until 2012 were calculated using US EPA emissions factors. 2013 values for USA were calculated using US EPA emissions factors based on carbon emissions by ZIP code. Values for Canada were calculated using "2013 Climate Registry Table 14.2 Canadian Emission Factors for Electric Grid by Province." 2014 emissions for USA were calculated using US EPA Power Profiler Version 5.0 and eGRID 9th Edition Version 1.0 (Year 2010 data) (EPA, 2014) emission factors by zip code. 2014 emissions for Canada were calculated using Environment Canada National Inventory Report 1990-2011 (2013 submission) (Part 3: Annex 13; Table A13-2 – Table A13-13) emission factors by Province.

\*3 Verified by third party.

[http://www.7andi.com/dbps\\_data/template/user/SITE/localhost/res/en/csr/research/pdf/2015/15\\_07\\_04\\_en.pdf](http://www.7andi.com/dbps_data/template/user/SITE/localhost/res/en/csr/research/pdf/2015/15_07_04_en.pdf)

\*4 Usage increased due to a rise in the number of stores and sales

## ■ Healthier Foods

SEI aims to provide healthy, convenient food and beverage options to our guests through its better-for-you food menu. The goal is to create foods that are both nutritious and have great flavor to fit customers' healthy lifestyle needs, at affordable prices.

### □ Expanding Healthier Foods Choices

SEI has been expanding its fresh food menu to include healthier options like entree and side salads with low-fat dressings, better-for-you sandwiches, yogurt parfaits with fresh fruit and granola, vegetable and hummus snacks, fresh-cut and whole fruit, and hard-boiled eggs. The addition of these nutritionally balanced products gives our guests better and more varied choices when they are on the go.

In an effort to expand choices to include a better-for-you breakfast option, in 2014 SEI set out to develop a hot breakfast that was low-calorie, low-fat and high-protein. The low-calorie, value-priced Egg White Breakfast Sandwich was created to provide a breakfast alternative, and healthy start to the day, without sacrificing taste and quality. It includes egg whites, lean Canadian bacon and cheddar cheese on a whole wheat English muffin. At 180 calories, the sandwich contains 13 grams of protein, only 5 grams of fat (2.5 grams, saturated fat) and is lower in sodium than most other breakfast sandwiches.



### □ Expanding Healthier Snacking Options

SEI recognizes that many consumers are looking for healthier, less-processed options. In 2014, to answer consumer demand for better-for-you snacking options at a value price, the company expanded its 7-Select private-label packaged snacks of roasted and flavored nuts, seeds and trail mixes. While the quality matches or exceeds that of comparable national brands, the prices do not, with most priced at a savings of 10 to 20 percent.

The 7-Select snack line-up of 7-Eleven's 16 new items includes single-serve and shareable portions and a variety of flavors, both sweet and savory. This rollout served as the next step in reinventing the 7-Select snack line to provide customers with a great value, taste and quality that surpass their expectations of private-label options.



## ■ Employees

### □ Developing Women in the Workplace

SEI is committed to diversity and building leaders from within the company. To help them in this important endeavor, in 2014, the company continued its relationship with the Network of Executive Women (NEW).

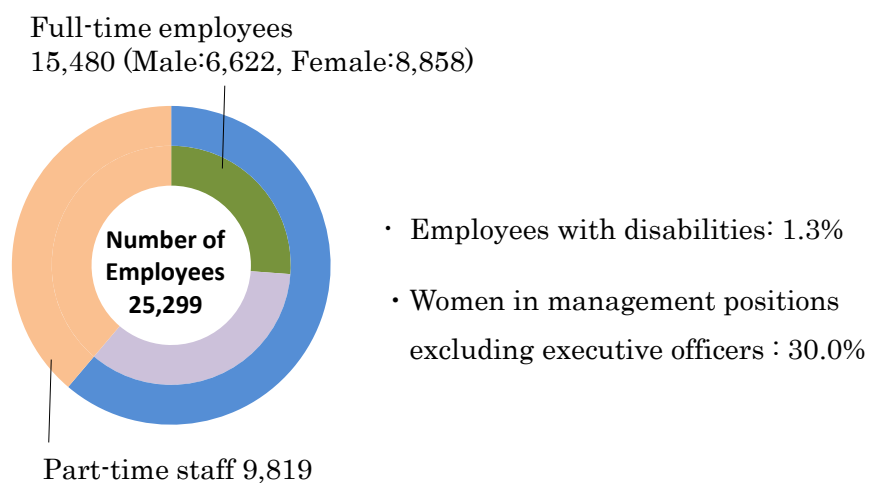
The mission of NEW is to help companies attract, retain and advance women in the consumer products and retail industry through education, leadership and business development. As a NEW corporate member, SEI is connected to more than 8,000 members from every retail channel and product category, 700 organizations, 100 national sponsor companies and 20 regional groups in the United States and Canada.

A female SEI SVP serves as the 7-Eleven NEW Ambassador to approximately 50 SEI female employees selected to engage in NEW to help them grow as professionals, while helping SEI capitalize on the value of their leadership diversity.

NEW benefits and resources available to SEI members include:

- Access to members-only regional events, member directory and regional group information
- Best practice reports and research
- Free online learning, including the NEW Leadership Academy, Innovation YOU, and Multigenerational Leadership webinar series
- Invaluable networking opportunities with peers and industry leaders
- Leadership development opportunities as a Network leader
- Regional activities and events including mixers and sponsor recognition events

### 【Personnel data in the U.S. and Canada (as of December 31, 2014)】



## □Supporting Employee Development

SEI understands the value of continuous learning and development to build employee competencies for personal growth and maximize employee potential. Employees with strong abilities also support the organization achieving its business goals and objectives. Through their employee learning and performance improvement initiatives, the company aims to enhance how they support their stores and serve their customers.

In 2014, SEI's learning curriculum included the In Store Experience (ISE). The ISE is a critical component to help all Head Office employees understand how their role impacts the company's operations, stores, associates and customers.

To ensure that all Head Office employees have a valuable training experience applicable to their role, there are 2 versions of the ISE program. Depending on the employee's department, role, operations experience, and other factors, they will complete one of two versions of the program: 5 WEEK ISE or 10 DAY ISE.

The 5 WEEK ISE program is designed for directors and leaders of certain functions that have direct impact to the stores or the field. These roles require a broad understanding of store operations, systems, tools and processes.

The 10 DAY ISE program is designed for individuals that indirectly support the stores or the field. These roles require more targeted knowledge of store processes for the functional area they support. The topics learned during this experience will vary based on their department and role.

Through the ISE employees have hands-on experience in a fully functioning 7-Eleven store. In addition to gaining a deeper understanding of store operations and guests, participants will experience some of the challenges that their sales associates face every day. They also have the opportunity to train alongside other Head Office employees. Networking with peers and co-workers during the ISE allows employees to learn together and about what others do, and fosters future collaboration back at the Head Office.

After completing the ISE, employees have the ability to make improvements based on what they learned. They meet with their leader to discuss how they can improve their day-to-day tasks, decisions and responsibilities to better serve their guests and support our stores.

A total of 132 employees participated in the ISE in 2014. It is the company's expectation that after completing the ISE, employees apply what they've learned to improve store performance and the customer experience.



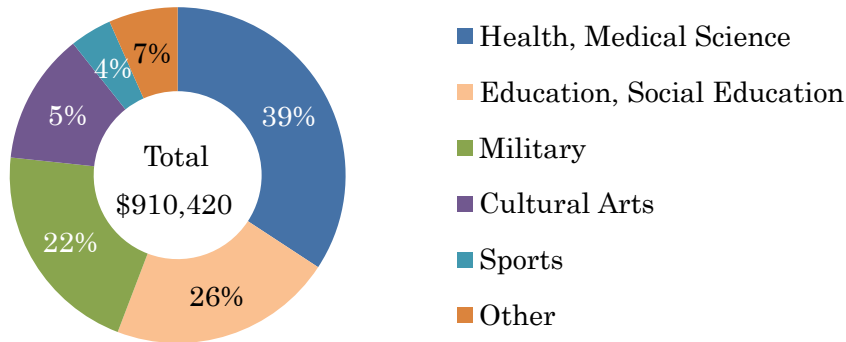


## Local communities

In order to fulfill its responsibilities to be a good corporate citizen, SEI hopes to improve the quality of life in local communities through unified activities by the Head Office and franchisees. Its philanthropic focus areas are youth well-being and military families.

In 2014, more than \$3.1 million in cash equivalent value was donated to more than 1,400 organizations, including cash donations from customers, franchisees, employees, and the company, as well as in-kind contributions and volunteer hours for local initiatives.

### 【Budgeted cash donations in the U.S. by SEI (2014)】



### Promoting Youth Well-Being in Neighborhoods We Serve

SEI is committed to doing its part to support and strengthen communities in which they operate. In 2014, the company maintained its focus on promoting youth well-being through education, safety and hunger relief initiatives. Working in partnership with local schools, youth sports organizations, law enforcement agencies and food banks, SEI aims to ensure youth have a strong foundation for a successful future.

#### Supporting Youth Education through Project A-Game

Education helps young people prepare for adulthood. Learning involves the development of physical and cognitive skills, knowledge acquisition and the shaping of values, attitudes and beliefs. SEI's focus on education helps create bright futures for youth through its community outreach program, Project A-Game.

The Project A-Game program was 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 managers contribute to youth development in their communities by applying for a grant to support their local school or youth sports organization. Grants are jointly funded by local Franchisees and the company, and help provide critical funding for academic, athletic or extra-curricular programs.

In 2014 SEI and its Franchisees awarded more than 550 grants to local schools and youth sports organizations, a community investment of nearly \$300,000. Grants have been used to underwrite initiatives including science projects, tutoring, school supplies and sporting equipment to ensure children have the resources and inspiration they need to stay in school and on a positive track.

**Encouraging Safe Behaviors through Operation Chill**

During the hot summer months and back-to-school season, SEI teamed up with local police departments to implement Operation Chill, the company’s 19-year old community outreach program. Through Operation Chill good kids in more than 700 neighborhoods, cities, towns and counties received free Slurpee drink coupons for 7-Eleven. The program allows Law enforcement officers from participating local police departments to “ticket” youngsters who are caught in random acts of kindness, good deeds or positive community activities with free Slurpee coupons. Good behaviors might include helping another person, wearing a bicycle helmet while riding or skateboarding, deterring crime or participating in a community service project.



Police officers benefit from having a positive reason to interact with children and youth and giving kids free Slurpee coupons for doing good is a great way to make an introduction and build a relationship. The goal of the program is to recognize and reward kids to reinforce good conduct, which might have a long-lasting impact on deterring negative behaviors and crime in the future.



## Seven-Eleven Hawaii, Inc.

### ■ History

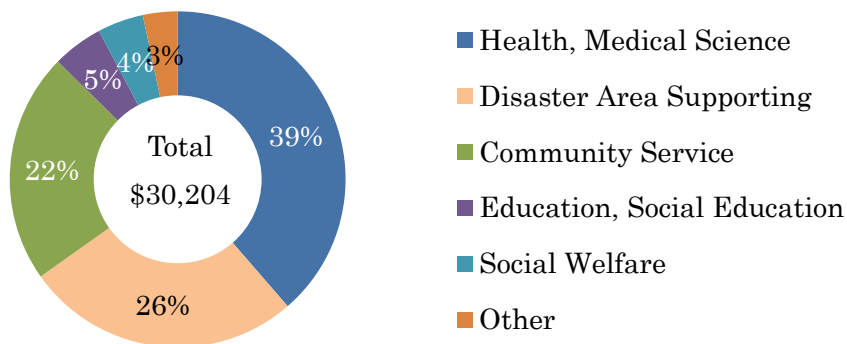
In 1989 Seven-Eleven Japan purchased Southland's (America, currently 7-Eleven, Inc.) Hawaii division and began operations as Seven-Eleven Hawaii Inc. (hereafter SEH). As of December 31, 2014 SEH has 60 stores in Oahu, Maui and other islands.



### ■ Coexisting with local communities

As a good corporate citizen, SEH supports activities and organizations involved with children, education, public welfare and health. In 2014 an equivalent of approximately \$ 40,805 in support was carried out for 46 organizations through fundraising, donations of goods and volunteer activities on the part of SEH customers, member stores, employees and the company.

#### 【Amount of cash donations by SEH (2014)】



### □ Social Contribution Programs: Toys for Tots Run & Parade

SEH supported the 40th Annual Toy Run/Parade held on December 6, 2014. During this day, over 6000 motorcycles gather at Kaka'ako Park to parade through Waikiki in support of the Salvation Army's Toys for Tots which started in 1947. The objective of Toys for Tots is to "bring the joy of Christmas to America's needy children." Riders are asked to donate toys at the designated drop off site at the beginning of the ride route. In the company's 3rd year, SEH had a tent station that provided pastries and coffee to motorcyclists and their riding partners prior to the start of the parade. It is SEH's way to help Hawaii's youth during the holidays as well as support the riders – many of whom are Seven-Eleven customers especially during traditional weekly ride days on Sunday.



## ■ Reducing environmental impact

SEH has been working on an initiative labeled the “Energy Smart Program” to reduce energy consumption since 2012. Under the program, SEH has carried out many kinds of initiatives, such as established a standard temperature set point for all stores’ air conditioning systems, which consume the largest amount of energy, also installed energy efficient fan motors in the vaults/freezers, and changed the vault lighting to LED. To raise energy conservation awareness among employees, the company has provided them with environmental education.

In 2014, SEH continued to stress the importance of energy conservation to the store staff. The company also installed energy efficient equipment during the renovation project that contributed to the reduction. As a result, in 2014(the program’s third year) energy usage was reduced to 98.8% of that of 2011, but the expense increased to 103% due to the higher cost of electricity. Since Hawaii has the highest electricity cost in the U.S., the initiative has contributed to a dramatic cost reduction.



### **【Number of Seven-Eleven Hawaii, Inc. stores, and store operation environmental data】**

	2011	2012	2013	2014
Stores	58	59	59	60
Electricity consumption (MWh)	18,468	18,079	17,848	18,246
Water consumption*(m3)	-	60,763	48,166	44,196

\*The data collection method was changed.