

# Corporate Social Responsibility (CSR)

## CSR Activities—Basic Policy and Implementation Framework

The basic policy of the Group (Seven & i Holdings and its operating companies) for its business activities is to take a sincere approach in dealing with all of its stakeholders, including shareholders, customers, business partners, local communities, and employees.

To facilitate the steady implementation of this policy, the Company established three committees—the CSR Management Committee, the Risk Management Committee, and the Information Management Committee. With each committee maintaining close links with operating companies, this system has enabled us to meet responsibilities to stakeholders.

In April 2011, we established the CSR Management Department, which reports directly to the president. In September 2011, we revised the CSR management system with the establishment of the Corporate Ethics and Culture Subcommittee, Consumer Affairs and Fair Business Practices Subcommittee, and Environment Subcommittee under the CSR Management Committee. In this way, the Company has established a system that can more effectively and rapidly advance the Group's CSR activities.

## Role of the CSR Management Committee

The CSR Management Committee is led by the president. The committee, which is composed of the people responsible for CSR at the core operating companies, meets once every six months.

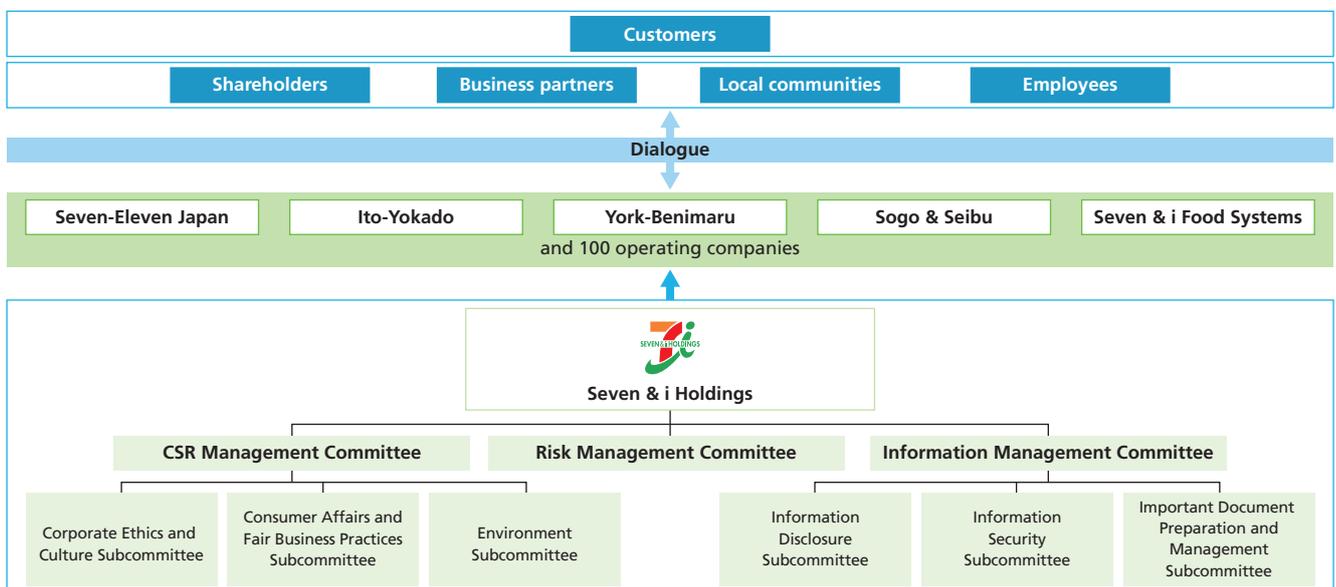
The committee's executive office duties are handled by the CSR Management Department.

The CSR Management Committee approves the annual themes of each subcommittee and provides overall management of subcommittee CSR activities. In addition, the CSR Management Committee receives reports on the activities of subcommittees and provides guidance and advice.

The subcommittees analyze the CSR activities of operating companies, classify problems and assign priorities, formulate specific countermeasures and objectives for each problem, and verify results.

## Overview of each subcommittee

|   | Major themes / objectives   |
|---|---|
| Corporate Ethics and Culture Subcommittee                 | <ol style="list-style-type: none"> <li>Promote understanding of Seven &amp; i Holdings Corporate Action Guidelines, which were revised in 2011</li> <li>Implement CSR training for employees</li> <li>Promote CSR activities at suppliers</li> <li>Analyze help line consultation details and use results of analysis to improve workplace environments</li> <li>Foster workplace environments that reflect respect for employee diversity and enable employees to continue working with peace of mind</li> </ol>   |
| Consumer Affairs and Fair Business Practices Subcommittee | <ol style="list-style-type: none"> <li>Ensure the quality and safety of products and services</li> <li>Provide appropriate information about products and services</li> <li>Improve handling of customer inquiries</li> <li>Ensure fairness and transparency in relationships with suppliers</li> </ol>   |
| Environment Subcommittee                                  | <ol style="list-style-type: none"> <li>Implement appropriate tracking of Groupwide CO<sub>2</sub> emissions</li> <li>Promote reduction of CO<sub>2</sub> emissions throughout the supply chain, including suppliers</li> <li>Prioritize initiatives targeting CO<sub>2</sub> emission reductions</li> <li>Promote efficient Groupwide CO<sub>2</sub> emission reductions</li> <li>Promote waste reduction, implementation of waste reduction measures from the product development stage</li> <li>Promote food recycling on a Groupwide basis, promote reuse and resource recovery of construction materials</li> <li>Support conservation of biodiversity</li> <li>Foster environmental awareness among employees</li> </ol> |



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### Stakeholder Engagement

To maintain the trust of its wide range of stakeholders, the Group must continually work to appropriately understand and respond to their interests and concerns regarding society and the Group. Accordingly, the Group is striving to engage in dialogue with stakeholders in order to ensure that the Group's decision-making process reflects their feedback, including their opinions, needs, areas of dissatisfaction, and complaints.

### Inclusion in SRI Indices

In recent years, there has been growing interest in socially responsible investment (SRI) in which important assessment factors include not only financial areas but also non-financial

areas, such as the environmental, governance, and social aspects of a company.

For two consecutive years—2010 and 2011—the Company has been selected for inclusion in the Dow Jones Sustainability World Index (DJSI World)<sup>\*1</sup>, one of the world's leading SRI indices. In addition, the Company has been selected as a member company of Ethibel EXCELLENCE and the Ethibel Sustainability Index Excellence Global, from Forum ETHIBEL<sup>\*2</sup>, of Belgium, and Morningstar's MS-SRI<sup>\*3</sup>.

\*1. An SRI stock price index developed jointly by U.S.-based Dow Jones and Switzerland-based Sustainability Asset Management (SAM), an SRI ratings company. About 2,500 companies around the world are evaluated from a comprehensive perspective incorporating non-financial factors.

\*2. Forum Ethibel is a Belgian-based non-profit organization for the promotion of socially responsible investing.

\*3. Japan's first domestic SRI stock price index created by Morningstar comprised of 150 companies listed in Japan, which are selected for their superior social responsibility.



(as of the end of June 2012)

### Disclosure

Detailed information about the Company's CSR activities is provided in CSR Report 2011. This report is available, in English and Japanese, at our website:

[www.7andi.com/en/csr/csrreport.html](http://www.7andi.com/en/csr/csrreport.html)

### CSR Topics

#### Always Close By Customers—Seven & i Group Initiatives



##### York-Benimaru: Opened Tohoku's largest indoor amusement facility, PEP Kids Koriyama

On December 23, 2011, the *Koriyama-City Genkina Asobi no Hiroba* was opened in a cooperative initiative between Koriyama City and York-Benimaru. Children in the Tohoku region have had limited opportunities to play outside following the nuclear power plant accident caused by the Great East Japan Earthquake. However, this new facility enables these children to enjoy vigorous exercise. York-Benimaru provided support for this facility in accordance with the concept of protecting the children throughout the local area. York-Benimaru and Life Foods donated the land and building at no cost. After the site was cleaned up, a full-scale remodeling was completed. The facility can be used at no charge by elementary school and pre-school children and by their parents.



##### Ito-Yokado: Received METI Minister's Award for safety and security initiatives

In November 2011, in the Best Contributors to Product Safety Awards, which are sponsored by METI, Ito-Yokado was the first superstore to receive the METI Minister's Award. Ito-Yokado's efforts to contribute to the establishment of a product safety culture were highly evaluated. These included (1) formulation and implementation of original quality standards, (2) ensuring the safety of private-brand products, and (3) implementation of lectures for Group companies and suppliers.