






# SUSTAINABILITY DATA BOOK 2021

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## About the Sustainability Data Book

This report, Sustainability Data Book 2021, takes a comprehensive look at the principal sustainability initiatives of Seven & i Holdings, the holding company, and its operating companies, focusing on the efforts of operating companies by material issue, as well as sustainability activities overseas. Reports on efforts of the Seven & i Group toward achievement of the Sustainable Development Goals (SDGs), adopted at a summit of the United Nations in 2015, are accompanied by the SDG logo and icons.

### Period of the Report

This report covers our activities during the fiscal year ended February 28, 2021 (March 2020 to February 2021). Some of our activities in the fiscal year ending February 28, 2022 are also included.

### References

GRI Sustainability Reporting Standards  
ISO 26000

**Date of Issue** February 2022

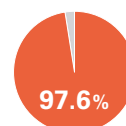
### Disclaimer

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

This report mainly covers the companies listed below.

Ratio of sales of companies covered by this report to the Group total sales



Seven & i Holdings Co., Ltd.  
Seven-Eleven Japan Co., Ltd.  
Ito-Yokado Co., Ltd.  
York-Benimaru Co., Ltd.  
York 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.

## Message from the President

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Based on our Corporate Creed\*<sup>1</sup> 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)\*<sup>2</sup> 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\*<sup>3</sup> 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, seeking to balance 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\*<sup>4</sup> 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 circular economy 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

President and Representative Director  
Ryuichi Isaka

## Basic Policies of Sustainability 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.

The Corporate Action Guidelines present the basic attitudes adopted by all of the Group’s Directors, Audit & Supervisory Board Members, and employees. The Guidelines comprise the Basic Policy, which sets out the approach of the Group as a whole, and the Code of Corporate Conduct, which sets out rules for conduct.

Furthermore, each Group company has established detailed guidelines and conduct rules appropriate for its business format at the concrete action level and, together with the Guidelines, will keep all new recruits and newly appointed managerial employees fully informed through their training. In addition, the extent of understanding of the Corporate Creed and compliance awareness is regularly checked in the Employee Engagement Survey.



### 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	— Code of Corporate Conduct
<div>1. Provision of Safe and High-Quality Products and Services</div> <div>2. Maintenance of Fair and Transparent Transactions</div> <div>3. Cooperation with Local and International Communities</div> <div>4. Respect for Human Rights</div> <div>5. Respect for Diversity and Improvement of Job Satisfaction</div> <div>6. Preservation of the Assets and Information of the Company</div> <div>7. Contribution to a Sustainable Society</div> <div>8. Dialogue with Stakeholders</div> <div>9. Efforts Regarding Social Issues</div>	<div>1. Compliance (Legal Compliance)</div> <div>2. Relationships with Customer</div> <div>3. Relationships with Business Partners</div> <div>4. Relationships with Shareholders and Investors</div> <div>5. Relationships with Local and International Communities</div> <div>6. Relationships between the Company, and Directors, Officers, and Employees</div> <div>7. Preservation of Global Environment</div>

## Policies for Each Measure

- Seven & i Group Human Rights Policy
- Business Partner Action Guidelines
- 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
- 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.



[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

Partially revised May 2021

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.

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 50% (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 inharmony 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

### Awareness of the Current Situation

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

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






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

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

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 / Waste and Measures for Organic Waste 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 Seven & i Holdings 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>

Engagement with Stakeholders		Main Engagement Methods	Main Response Policy
<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>
<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>



Engagement with Stakeholders		Main Engagement Methods	Main Response Policy
<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>

Seven & i Holdings considers corporate governance to be a system for sustainable growth by establishing and maintaining a sincere management structure and continuously increasing the Group's corporate value over the medium and long term in both financial and non-financial (ESG) aspects to ensure the trust and longstanding patronage of all stakeholders, including customers, business partners and franchisees, shareholders and investors, local communities, and employees, based on the Corporate Creed. Seven & i Holdings' mission as a holding company is to strengthen corporate governance and maximize the Group's corporate value, and Seven & i Holdings will strive to achieve this mission through the provision of support, oversight, and optimal resource allocation to its operating companies.

The diagram illustrates the corporate governance structure of a listed company, organized into three main functional areas:

- General Shareholders' Meeting:** The highest authority, responsible for the appointment and dismissal of the Audit & Supervisory Board and the Board of Directors.
- Management supervision function (Red box):** Includes the Audit & Supervisory Board (5 members, including 3 independent outside members), the Board of Directors (13 members, including 5 independent outside directors), and the Nomination Committee and Compensation Committee. The Audit & Supervisory Board audits the Board of Directors, and the Board of Directors consults with the Nomination and Compensation Committees.
- Business execution function (Green box):** Includes the Representative Directors, the Auditing Office, Divisions, and various Committees (CSR Management Committee, Risk Management Committee, Information Management Committee). The Representative Directors report to the Board of Directors and supervise the Auditing Office and Divisions. The Auditing Office audits and monitors the Divisions.
- Accounting Auditor (Orange box):** Performs audits and coordinates with the Auditing Office.
- Operating Companies:** The bottom level of the structure, receiving instructions from the Board of Directors and the Auditing Office.

## Monitoring Based on Audit & Supervisory Board Member system

Management monitoring of Seven & i Holdings is based on Audit & Supervisory Board Member system. Our Audit & Supervisory Board consists of five members (three of whom are outside auditors/three male and two female).

[Details about the Audit & Supervisory Board Member system can be found here:](#)

## Supervision and Auditing by Independent Outside Directors and Outside Audit & Supervisory Board Members

Seven & i Holdings has designated all Outside Directors (five) and all Outside Audit & Supervisory Board Members (three) as independent Director and independent Audit & Supervisory Board Member in accordance with the requirements of the Financial Instruments Exchange, and supervision and auditing are conducted by the independent Outside Directors and independent Outside Audit & Supervisory Board Members.

## Nomination Committee and Compensation Committee

Seven & i Holdings has established the Nomination Committee and Compensation Committee as the advisory committees 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. Internal committee members of the Compensation Committee are selected from among Directors other than Representative Directors.

The Nomination Committee deliberates on the nomination of Representative Directors, Directors, Audit & Supervisory 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

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

Seven & i Holdings has established the CSR Management Committee based on CSR Basic Rules for the purpose of promoting, administrating and supervising the CSR activities of the entire Group through operating activities in order to contribute to solving social issues and aim for sustainable growth for both society and the Group. Seven & i Holdings has five subcommittees under the CSR Management Committee tasked with the examination and promotion of concrete measures to promote operating activities that will contribute to solving material issues (Materiality) identified to address the expectations and demands of stakeholders and realizing a more thorough compliance practice. Through these subcommittees, Seven & i Holdings has carried out initiatives to find solutions to issues and implemented preventive measures.

In March 2020, Seven & i Holdings newly established the Compliance Subcommittee with the aim of promoting ESG and strengthening compliance and internal controls. Under the CSR Management Committee, to resolve material issues (Materiality), Seven & i Holdings tasks the "Environment Subcommittee" with helping mitigate climate change, depletion of resources, and other environmental burdens, the "Supply Chain Subcommittee" with building a sound supply chain that takes human rights and the environment into consideration and with improving quality and ensuring safety for merchandise and services, the "Corporate Ethics and Culture Subcommittee" with ensuring thorough awareness and adoption of the Corporate Creed and the Corporate Action Guidelines, building worker-friendly workplaces, promoting advancement of diverse human resources and improving the labor environments, and the "Social Value Creation Subcommittee" with the planning, proposal and operation of new businesses originating from addressing social issues through the main business, by utilizing business characteristics and management resources. These subcommittees have formulated and carried out measures to address such individual issues on a Group-wide basis.

Seven & i Holdings operates an internal whistleblowing system available to the Group's Directors and Audit & Supervisory Board Members, employees and business partners as part of the internal controls of the whole Group. The executive officer in charge of the secretariat of the CSR Management Committee is tasked with regularly reporting and confirming the operational status of the internal whistleblowing system at the Board of Directors' meetings, along with other activities.

## Risk Management Committee

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In accordance with the basic rules for risk management, Seven & i Holdings and its Group companies establish, streamline, and manage 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. The Risk Management Committee receives reports from the departments in charge of risk management regarding the risk management status of Seven & i Holdings. The committee comprehensively determine, assess, and analyze risks and discuss measures, and determine the future direction going forward. Meanwhile, Seven & i Holdings has carried out efforts to further strengthen risk management of the entire Group through assisting with risk evaluation and analysis and execution of 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' various departments in charge of risk management.

## Information Management Committee

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In accordance with the Information Control Regulations, which were redesigned in the fiscal year ended February 29, 2020, Seven & i Holdings has carried out risk analysis, evaluation and measures regarding the information management of all operations-related information that is learned, created or retained by officers and employees of the Group under the Information Management Committee, chaired by the information management supervisor.

In the fiscal year ended February 28, 2021, as in the previous year, Seven & i Holdings continued efforts to strengthen the information collection and management systems, and strengthened the systems for collecting important information from each company in a timely and appropriate manner and for dealing with such information in a collaborative manner, as well as for centrally managing such information and reporting it to management and related departments without omission or delay.

Seven & i Holdings has also taken steps to build and strengthen a shared information security system for the entire Group. Specifically, Seven & i Holdings has established the security management division with independence from business execution as an organization directly under the control of the Representative Director of Seven & i Holdings and redeveloped information security policies, guidelines, etc., the Group's common basis. For operating companies, Seven & i Holdings assists in building security environments, strengthens monitoring, upgrades trainings, and evaluates internal controls, among other measures. In addition, guided by the Information Management Committee, Seven & i Holdings is raising awareness of security throughout the Group, further enforcing rigorous security measures through a specialized subcommittee, and ensuring Group-wide safety and security.

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

## Compliance

Seven & i Holdings places absolute priority on compliance with laws and regulations and social norms. We also strive 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 "trust 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 update 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.



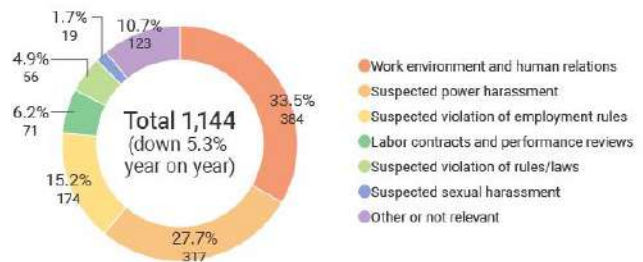
## Groupwide Employee Helpline (Internal Whistleblowing System for Employees)

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 28, 2021



\* For the Groupwide Helpline, some operating companies have their own internal reporting consultation desks in addition to third-party consultation desks.

\* Operating companies in North America and China have their own internal reporting systems to receive reports and consultations from employees.

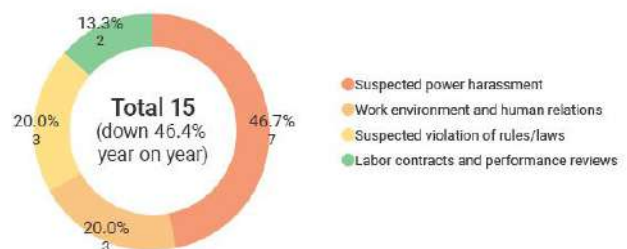
## Audit & Supervisory Board Hotline (Internal Whistleblowing System for Matters Related to the Group Executives and the Members of Management)

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 28, 2021



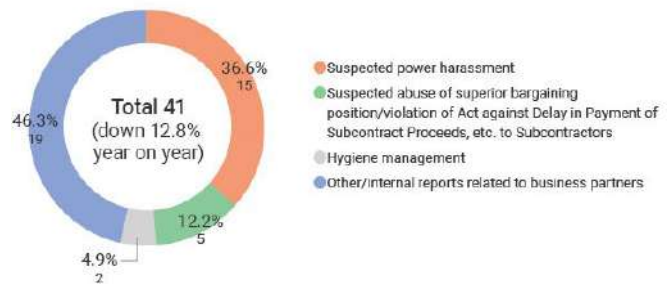
## Business Partner Helpline (Internal Whistleblowing System for Subcontractors)

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 28, 2021



## 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

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

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 (tax havens), which are excessive tax-saving activities such as transferring value to low-tax countries, 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 28, 2021 (Millions of yen)

	Japan	US	Canada	China
Net sales (Operating revenue)	3,435,146	2,012,186	220,048	100,707
Income before income taxes	183,085	73,049	1,139	1,440
Corporation tax	48,193	△13,252	848	518
Tax payment	79,893	22,628	64	107

## Human Rights Initiatives

### 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.

Since 1987, we have joined the Tokyo Human Rights Awareness Corporate Liaison Committee (name at the time of joining, “Tokyo Corporate Liaison Committee for the Dowa Issue”) which comprises of 123 companies (as of July 2020), mainly companies headquartered in Tokyo. Through participation in the monthly conferences, we are working to further enhance human rights education and our awareness-raising system while mutually studying with member companies.

[Further information about the activities of the Tokyo Human Rights Awareness Corporate Liaison Committee can be found here \(Japanese\) >](#)

### Conducting Training

Seven & i Group companies provide awareness training to employees, including managers and part-time employees, on a variety of human rights issues such as basic approaches to human rights and harassment prevention. In addition, Seven & i Holdings is working to promote employee understanding through the utilization of our human rights awareness handbook “Human Rights for Everyone—Let’s Start by Learning” and “Normalization Support Guide” to further support the education of Group companies.

For example, Ito-Yokado holds level-specific human rights awareness training when employees join the company or are assigned to a new store or local store, with training content matching job responsibilities. Employees come to recognize that human rights issues are easily happened in everyday life, and the training includes specific examples such as power harassment and sexual harassment as well as new developments and issues so that employees can apply what they learn to their daily activities. In the fiscal year ending February 28, 2021, a total of 17 training sessions were held, and a total of 864 employees underwent training.

At York, hands-on training on normalization is incorporated as part of training at the time of joining the company to provide assistance to people with visual impairments and those on wheelchairs. Sogo & Seibu provides training on how to respond to a wide range of customers, including acceptance of assistance dogs and explanations on universal design, as part of training at the time of joining the store for new employees and store employees of business partners.

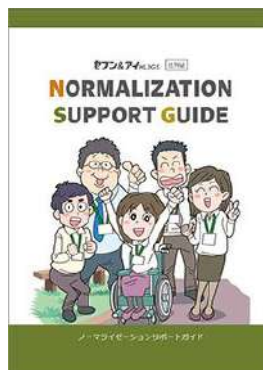
Further, Seven & i Holdings conducts compliance training for business partners and the Group’s personnel in charge of product development and purchasing in order to reduce and mitigate human rights risks in the supply chain.

[Further information about compliance training for suppliers can be found here >](#)

[Further information about compliance training for the personnel in charge of product development and purchasing can be found here >](#)



Human Rights - Let's Start by Learning handbook



Normalization Support Guide



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 human rights slogans from all employees, including part-time employees, and their family members. In the process of coming up with human rights slogans, opportunities are created for employees to think about human rights, which raises their awareness of human rights issues. The most excellent slogans selected from among those submitted are announced to the employees through the Group's internal newsletter and on the intranet website, and are awarded prizes. The contest was held for the 30th time in the fiscal year ending February 28, 2021, and 47,130 slogans were received, marking yet another year with a large number of submissions. The slogans 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 soliciting for human rights slogans

## Evaluation of Respect for Human Rights

### Employee Engagement Surveys

Seven & i Group conducts an employee engagement survey targeting employees of 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 are respected in line with the Corporate Action Guidelines. The survey conducted in November 2020 targeted approximately 82,000 employees working at 30 Group companies in Japan. The next survey is scheduled for the second half of FY2021.

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

### Interview Surveys Targeting Employees

The Seven & i Group implements interview surveys of store employees conducted by the Human Rights Education Center with the aim of identifying human rights issues specific to its business or operating companies and for reducing and mitigating human rights risks. In March 2021, we completed interviews with all employees of Terube, Ltd., a special subsidiary established to promote employment for people with severe disabilities. We plan to conduct interview surveys sequentially in the future as well.

### Assessment of Suppliers by Self-Check Sheet

To ensure that suppliers understand the Seven & i Holdings Business Partner Action Guidelines, Seven & i Group administers a self-check sheet for suppliers 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 the suppliers.

[Further information about the self-check sheet for suppliers can be found here >](#)

## Assessment of Suppliers by Self-Check Sheet

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To ensure that suppliers understand the Seven & i Holdings Business Partner Action Guidelines, Seven & i Group administers a self-check sheet for suppliers 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 the suppliers.

## CSR Audits of Suppliers' Manufacturing Factories

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In addition, Seven & i Group conducts CSR audits of end manufacturing factories of the suppliers who produce Seven Premium, group's private brand products, as well as Ito-Yokado's overseas direct import suppliers. The audits ascertain their level of compliance with the Seven & i Group Business Partner Sustainability Action Guidelines.

A third-party organization 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 117 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 ending February 28, 2021, CSR audits were conducted at 413 factories in 11 countries.

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

## Helplines for Human Rights Issues

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Seven & i Group has established the Groupwide Helpline 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. In addition, the Group has also established the Business Partner Helpline. The Helpline can be used by directors and audit & supervisory board members, employees, and former employees of domestic Group companies' business partners. The consultation service is operated by a third party under a service contract and a non-disclosure agreement with our company 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. If any issues are identified, corrective measures will be taken. 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 Helpline can be found here >](#)

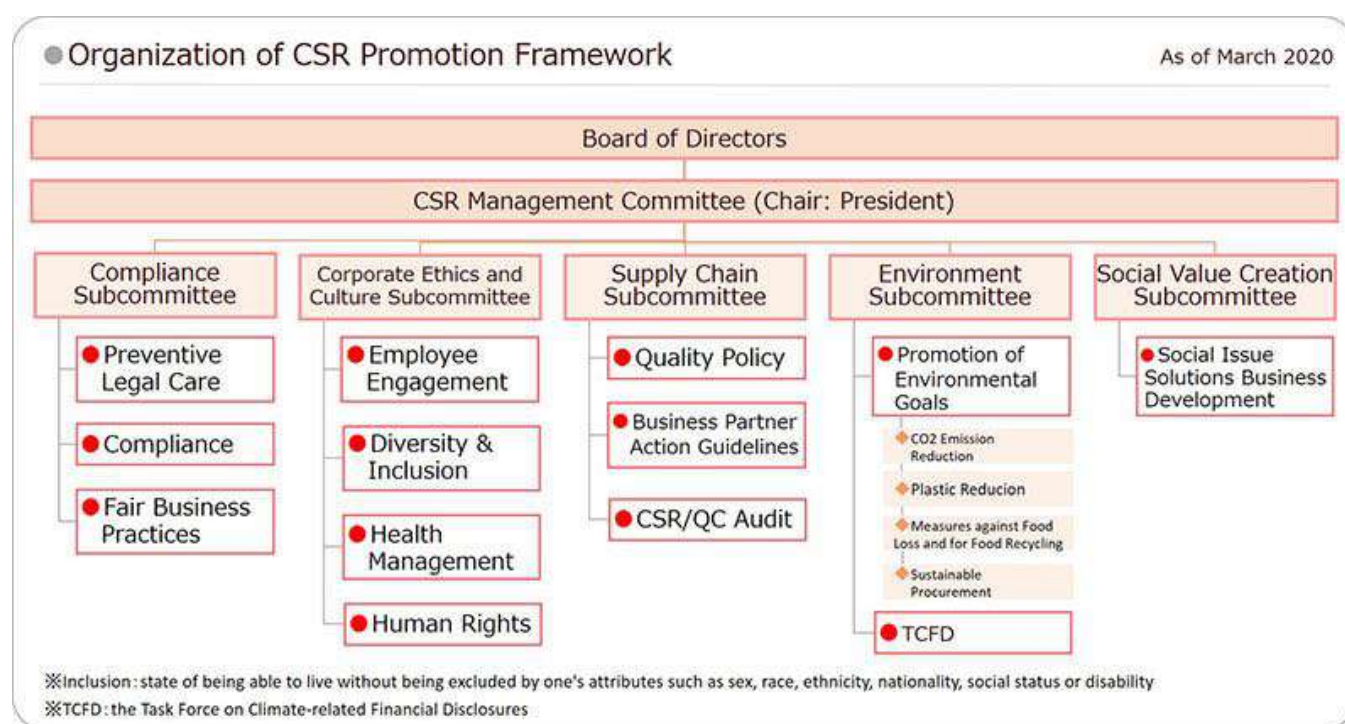
[Further information about the Business Partner Helpline can be found here >](#)

## Sustainability 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.

### Sustainability Promotion Framework

Seven & i Holdings seeks to promote Group-wide sustainability 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, Seven & i Holdings newly establishes the Compliance Subcommittee in order for Seven & i Holdings, 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, Seven & i Holdings have been conducting an Employee Engagement Survey. We are 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, Seven & i Holdings 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, Seven & i Holdings 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 Seven & i Holdings meets its social responsibilities regarding products and services across the entire supply chain, Seven & i Holdings asks business partners to understand and implement the Business Partner Sustainable Action Guidelines. Seven & i Holdings regularly verifies and shares their compliance through CSR audits to promote education, enlightenment and correction.

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

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

## Environment Subcommittee

The Group uses products, raw materials and energy efficiently to combat challenges such as climate change and resource depletion, and the Group is working with customers and business partners to reduce the environmental impact throughout the supply chain. Seven & i Holdings 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 decarbonized society, a circular economy, and a society in harmony with nature. Based on recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), it is analyzing the risks and opportunities of climate change and deepening the Group's initiatives.

## 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 FY2020 Targets	Results for FY2020	Evaluation	Main Plans for FY2021
Compliance Subcommittee			
(1) Establishing fair business practices			
<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>	<ul style="list-style-type: none"> <li>Information sharing twice a year at FT project conferences First half: 59 participants from 25 Group companies Second half : 64 participants from 27 Group companies</li> <li>FT training (e-learning) April: General labeling training (including food labels), 4,230 people August: Premium regulations, 3,417 people November: Subcontracting Act, abuse of superior bargaining position, 11,372 people (in total)</li> <li>Group education (including online) First half: 4 times, 162 people Second half: 13 times, 579 people</li> <li>Conducting business partner questionnaires Approximately 8,300 responses</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 Passon, etc., and take remedial measures (FT project conferences held twice a year)</li> <li>FT training (e-learning) May: General labeling training (including food labels), 5,000 people November: Fair trade (Subcontracting Act, abuse of superior bargaining position), 9,000 people (in total)</li> <li>Group education (including online) First half: 10 times, 400 people Second half: 15 times, 600 people</li> <li>Conducting business partner questionnaires</li> </ul>
(2) Enforcement of compliance			
<ul style="list-style-type: none"> <li>Implement compliance function questionnaires and interviews (November - December)</li> <li>Compliance e-learning</li> </ul>	<ul style="list-style-type: none"> <li>Implement compliance function questionnaires and interviews (26 companies)</li> <li>Creating compliance e-learning content</li> </ul>	△	<ul style="list-style-type: none"> <li>Conducting interviews on compliance issues and response status (26 companies)</li> <li>Compliance e-learning (September–October)</li> </ul>
(3) Enhancement of preventive legal functions			
<ul style="list-style-type: none"> <li>Implement compliance function questionnaires and interviews (November–December)</li> </ul>	<ul style="list-style-type: none"> <li>Implement compliance function questionnaires and interviews (26 companies)</li> </ul>	○	<ul style="list-style-type: none"> <li>Implement compliance function questionnaires and interviews (26 companies)</li> </ul>

Major FY2020 Targets	Results for FY2020	Evaluation	Main Plans for FY2021
(4) Strengthen the internal reporting system			
<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>● Implementation of registration renewal of the Employee Help Line in the Consumer Affairs Agency's 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 (August 2020, 80 people)</li> <li>● Renew the registration of the Employee Help Line in the Consumer Affairs Agency's Whistleblower Compliance Management System (August 2020)</li> </ul>	○	<ul style="list-style-type: none"> <li>● Establish a system as necessary in accordance with the amended Whistleblower Protection Act</li> <li>● Conduct training using an outside instructor for Group company Help Line staff (at least once a year)</li> <li>● Implementation of registration renewal of the Employee Help Line in the Consumer Affairs Agency's Whistleblower Compliance Management System</li> </ul>
Corporate Ethics and Culture Subcommittee			
(1) Thoroughly ensure compliance with Corporate Action Guidelines			
<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>● Confirm status of compliance with the Corporate Creed and Corporate Action Guidelines when conducting Employee Engagement Surveys</li> <li>● Compliance with the Corporate Action Guidelines: 90%</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 Employee Engagement Survey, regularly monitor status of compliance with the Corporate Action Guidelines</li> </ul>
(2) Create fulfilling workplaces			
<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>● Conducting Engagement Surveys (November) Target: 30 Group companies, about 82,000 people</li> <li>● Provide feedback on survey results</li> </ul>	△	<ul style="list-style-type: none"> <li>● Establishment of an Engagement Improvement Committee at each Group company</li> <li>● In response to the survey results, consider and plan improvement measures through dialog with employees</li> <li>● Conducting Employee Engagement Surveys</li> </ul>
<ul style="list-style-type: none"> <li>● In response to law revisions, promote employment of people with disabilities and encourage normalization</li> </ul>	<ul style="list-style-type: none"> <li>● In order to improve the actual employment rate, strengthen the acceptance of trainees from special-needs schools, mainly at Ito-Yokado. Conducted training of a total of 18 students from 15 schools</li> </ul>	○	<ul style="list-style-type: none"> <li>● Promoting employment of people with disabilities Promote support for recruitment activities and retention for operating companies that have not achieved statutory employment rate</li> </ul>
<ul style="list-style-type: none"> <li>● Maintain and improve the statutory employment rate for people with disabilities at the five applicable Group companies</li> </ul>	<ul style="list-style-type: none"> <li>● Maintain a 2.96% actual employment rate for people with disabilities at the five applicable Group companies</li> </ul>	○	<ul style="list-style-type: none"> <li>● Maintain and improve the statutory employment rate Maintain and improve the statutory employment rate for people with disabilities at the five applicable Group companies</li> </ul>

Major FY2020 Targets	Results for FY2020	Evaluation	Main Plans for FY2021
<ul style="list-style-type: none"> <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>● Revise the normalization support guide and distribute it to each operating company</li> </ul>	△	<ul style="list-style-type: none"> <li>● Strengthen awareness-raising activities for Group companies</li> <li>Share laws and system revisions related to human rights issues such as the employment of people with disabilities, as well as discriminatory cases and incidents that actually occurred and provide reminders</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, formulate and implement measures</li> <li>● Continue to 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>● Percentage of female managers (end of February 2021) Section Managers: 22.1% Team Leaders: 32.4%</li> <li>● Meeting of the Diversity and Inclusion Promotion Committee</li> </ul>	△	<ul style="list-style-type: none"> <li>● Strengthen the dissemination of information both internally and externally on promoting diversity and inclusion</li> <li>● Implement training of female candidates for management positions (women encouragement seminars)</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>● Implement unconscious bias training for HR and education executives at Group companies</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>● Promote use of childcare leave among male employees</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>● Held online seminar on balancing work and family care responsibilities, 156 participants from 20 companies</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>● Active external communication</li> </ul>	<ul style="list-style-type: none"> <li>● Continue educational activities at Group companies in spite of reduced awareness raising opportunities due to the impact of COVID-19</li> </ul>	△	<ul style="list-style-type: none"> <li>● Continue awareness raising activities related to diversity and inclusion within the Group</li> <li>● Promote LGBT understanding</li> </ul>
(4) Promoting health management			
<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>● Conducted walking events, 2,638 participants from 28 companies</li> <li>● Conducted health awareness raising seminars, 193 participants from 16 companies</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>

Major FY2020 Targets	Results for FY2020	Evaluation	Main Plans for FY2021
<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>● Implementing line care training and self-care training</li><li>● Implementing no-smoking during working hours (from July)</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>● Conduct training based on harassment prevention measures</li></ul>	<ul style="list-style-type: none"><li>● Implemented harassment training (15 companies)</li><li>● The November 2020 issue of the Group magazine was a special issue on prevention of workplace harassment, carrying a message from the president Distribution target: About 70,000 people</li></ul>	○	
Supply Chain Subcommittee			
(1) Improving product quality and ensuring safety			
<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>● Implement revision of clothing and housing quality standards</li><li>● Hold regular meetings for the purpose of sharing issues within the Group</li></ul>	○	<ul style="list-style-type: none"><li>● Conduct monthly meetings of the working group for revising quality standards</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>	<ul style="list-style-type: none"><li>● Process audits not conducted due to COVID-19 *Factory surveys conducted by each operating company</li></ul>	△	<ul style="list-style-type: none"><li>● Implement measures based on self-checks and contracts in case of PB factories which are difficult to audit</li><li>● Data base compilation using the supply chain management system</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>● Conduct online training tailored to customer needs (such as cleanliness) and implement online display training in accordance with legal revisions</li><li>● Number of participants (in total) Food: 995 people Clothing and housing: 935 people</li></ul>	○	<ul style="list-style-type: none"><li>● Construct an education program subdivided by category to improve the expertise of personnel in charge of purchasing</li><li>● Expand training tailored to the times, such as training on sustainable materials</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 (Acquire at 100% of target factories)</li></ul>	<ul style="list-style-type: none"><li>● Obtained JFS standard certification in 2020 for 165 factories covered by the Nihon Delica Foods Cooperative Association which shares products with Seven-Eleven Japan</li><li>● Regarding Seven Premium, 94% of the manufacturing consignment factories are HACCP certified</li></ul>	△	<ul style="list-style-type: none"><li>● Efforts to obtain certification by the end of FY2021 are underway at the Seven Premium manufacturing consignment factories as well</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>● Operations are started once operation manuals conforming to “Hygiene Management in accordance with HACCP,” which came into effect in June, are distributed to each store</li></ul>	○	<ul style="list-style-type: none"><li>● Confirmation of manual operations by the store patrol Sharing information on the operational status of each company</li></ul>

Major FY2020 Targets	Results for FY2020	Evaluation	Main Plans for FY2021
<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>System innovations have not progressed and not been implemented for some in-store manufactured products of operating companies. Implementation completed for other products</li> </ul>	△	<ul style="list-style-type: none"> <li>Promote environmental improvement, including system renovation</li> </ul>
(2) Thorough implementation of Business Partner Action Guidelines			
<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>	<ul style="list-style-type: none"> <li>Results of briefings to explain Seven &amp; i Holdings Business Partner Sustainable Action Guidelines For domestic (June): 274 people from 178 companies For China and Southeast Asia (August): 79 people from 66 companies *For online sessions, the data is the number of accesses during the briefing period</li> </ul>	△	<ul style="list-style-type: none"> <li>Online briefings to explain Seven &amp; i Holdings Business Partner Sustainable Action Guidelines 2021 For Seven Premium domestic (February) For domestic business partners on consignment of PB overseas manufacturing (February) Multilingual briefings for China and Southeast Asia (March)</li> <li>Briefings and training for in-house purchasing personnel (April, July, October, January)</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>Compliance seminar results For China (January): 304 people from 215 companies For domestic (February) 213 people from 145 companies *For online sessions, the data is the number of accesses during the seminar period</li> </ul>	○	<ul style="list-style-type: none"> <li>Compliance seminar For domestic (May, August, November) For overseas factories (June, September, December)</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>	<ul style="list-style-type: none"> <li>CSR audit results Overseas: 413 factories in China and Southeast Asia Domestic: 271 factories that produce Seven Premium *Postponed support at 47 PB product manufacturing factories due to the spread of COVID-19</li> </ul>	○	<ul style="list-style-type: none"> <li>CSR audit plan Overseas: 500 factories in China and Southeast Asia Domestic: 500 factories that produce Seven Premium *May shrink due to the effects of COVID-19 *Remote auditing using online are also introduced</li> </ul>
Environmental Subcommittee			
(1) Initiatives for achieving a decarbonized society			
<ul style="list-style-type: none"> <li>Continue conducting third-party verifications at 12 Group companies to correctly evaluate and investigate initiatives for reducing CO2 emissions</li> <li>Expand installation of renewable energy equipment such as solar panels</li> </ul>	<ul style="list-style-type: none"> <li>Conducted third-party verifications at 12 Group companies</li> <li>Solar power generation panels installed in 8,681 Group stores</li> <li>In particular, a mega-solar power generation system, one of the largest systems in commercial facilities of Japan, was introduced at the Ito-Yokado Ario Ichihara store</li> </ul>	○	<ul style="list-style-type: none"> <li>Expand the number of third-party verification companies to 15 in order to properly evaluate and verify initiatives to reduce CO2 emissions</li> <li>Expand installation of renewable energy equipment such as solar panels, as well as renewable energy procurement</li> </ul>

Major FY2020 Targets	Results for FY2020	Evaluation	Main Plans for FY2021
(2) Initiatives for achieving a circular economy			
<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>● Reduce about 800 tons of plastic by using paper for chilled boxed lunch containers</li> <li>● Reduce plastic by about 25% compared to conventional products by making lids of the delicatessen items "Cup Deli" line into top seals</li> <li>● Reduce plastic by about 10% compared to conventional products by adopting new containers that do not require plastic films for the Seven Premium Café Latte series</li> </ul>	○	<ul style="list-style-type: none"> <li>● Introduce environmentally friendly materials to Seven-Eleven rice balls and sandwiches</li> <li>● Expand products using recycled PET bottles for Seven Premium beverages</li> </ul>
<ul style="list-style-type: none"> <li>● Expand 100% recycled bottle products in the Hajime Ryokucha series</li> <li>● Develop 100% recycled PET bottle products with new business partners</li> </ul>	<ul style="list-style-type: none"> <li>● Expand 100% recycled PET bottle for the three products in the Hajime Ryokucha series</li> <li>● Launched "Seven Premium Lifestyle Body Cooler" using recycled yarn made from PET bottles collected by the Group</li> <li>● Agreed to establish a joint venture with Veolia Japan K.K. and Mitsui &amp; Co., Ltd. to establish a PET bottle recycling factories to achieve a recycling-oriented society</li> <li>● Capital participation in R Plus Japan Ltd., an initiative for recycling used plastics</li> </ul>	○	<ul style="list-style-type: none"> <li>● Promoting recycling of resources together with customers by expanding the installation of PET bottle collection machines</li> <li>● Participation in platforms and initiatives with new business partners in the recycling of plastic resources</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)</li> </ul>	Seven-Eleven Japan has already introduced the "Ethical Project" at its stores nationwide with the aim of controlling the generation of food waste (An initiative that awards nanaco points when purchasing a target product whose sellby date is approaching)	○	<ul style="list-style-type: none"> <li>● Develop the new awareness-raising activity, the "Temaedori Project", aimed at reducing food waste at all 7-Eleven stores (cooperation among ministries, agencies, and JFA)</li> </ul>
(3) Initiatives for developing a society in harmony with nature			
<ul style="list-style-type: none"> <li>● Expanded varieties of certified products</li> </ul>	<ul style="list-style-type: none"> <li>● Acquired the Marine Eco-Label Japan (MEL) certification at Ito-Yokado in April. Started sales after marking four kinds of fish of our original product "Fresh Fish with Traceability"</li> </ul>	○	<ul style="list-style-type: none"> <li>● Development and introduction of new certified products</li> </ul>
(4) Raising employee environmental awareness			
<ul style="list-style-type: none"> <li>● Have 650 employees pass the Certification Test for Environmental Specialists (for a cumulative total of about 10,230)</li> </ul> <p>* 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</p>	<ul style="list-style-type: none"> <li>● Have 462 employees pass the Certification Test for Environmental Specialists (for a cumulative total of 10,041)</li> </ul>	△	<ul style="list-style-type: none"> <li>● Have 500 employees pass the Certification Test for Environmental Specialists (for a cumulative total of about 10,500)</li> </ul> <p>*The number of people who can take the test is decreasing with the transition to the internet examination method</p>

Major FY2020 Targets	Results for FY2020	Evaluation	Main Plans for FY2021
Social Value Creation Subcommittee			
(1) Promote understanding of social issues			
<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>	<ul style="list-style-type: none"> <li>Lectures by social entrepreneurs and sharing of CSV activities of operating companies (31 initiatives of 17 operating companies)</li> </ul>	○	<ul style="list-style-type: none"> <li>In addition to the sharing of CSV use among operating companies, we plan to hold the second business development program for solving social Issues</li> </ul>
(2) Create new CSV businesses			
<ul style="list-style-type: none"> <li>Continue to operate programs that allow the acquisition of know-how for creating social businesses</li> </ul>	<ul style="list-style-type: none"> <li>Continue to operate social business programs implemented in FY2019</li> </ul>	○	<ul style="list-style-type: none"> <li>Verify whether a business proposal emerging from a social business program can be established as a business</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 company newsletters and the Sustainability 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 ending February 28, 2021 as well, 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 are associated with business partners. An e-learning about the Group's environmental declaration "GREEN CHALLENGE 2050" was also conducted.



## 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 inbound travelers from overseas (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, Helplines (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 Policies Relating to Measures to Contribute to the Prevention of Global Warming, Environmental Guidelines and Environmental Rules, Fundamental Policies 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, Helplines.
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, helpline (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

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

### Launch of Scenario Analysis

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 scenario 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.

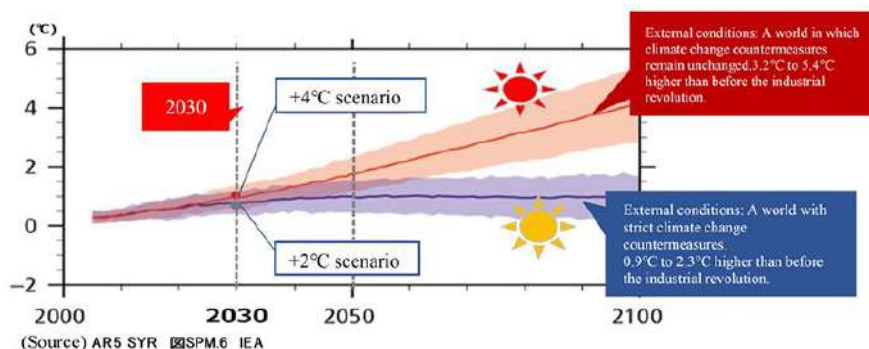
#### ● Scope of Analysis

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	Price rises throughout the supply chain	Decrease
Renewable Energy	Widely used	Partly used
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	Delays and disruptions in logistics and damage to stores caused by heavy rain are limited but higher than now.	<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
T r a n s i t i o n : R i s k s a n d O p p o r t u n i t i e s	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	<ul style="list-style-type: none"> <li>Sales increase due to product development tailored to sustainable consumer lifestyles.</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> </ul>
			EV Charge Service Expansion	<ul style="list-style-type: none"> <li>In line with the spread of EV, sales increase by expanding recharging services.</li> </ul>	<ul style="list-style-type: none"> <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>
P h y s i c a l : R i s k s a n d O p p o r t u n i t i e s	Acute	Extreme Weather	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>
			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	<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> </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> </ul>
			Increase in Air conditioning Load	<ul style="list-style-type: none"> <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 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 50% 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

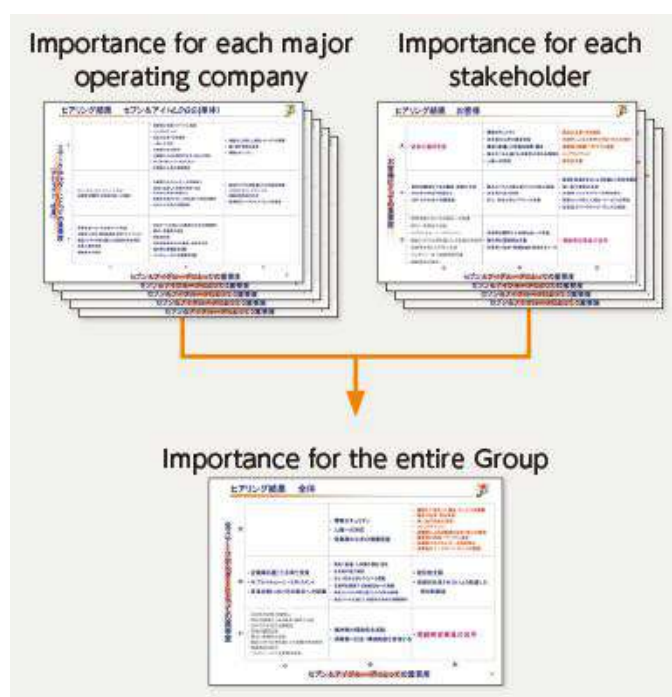
An interview survey in a questionnaire format was conducted with customers, business partners, shareholders and investors, and employees to understand the future expectations and demands of all stakeholders for the Group for the identified social issues. An assessment was made of how much of a priority 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

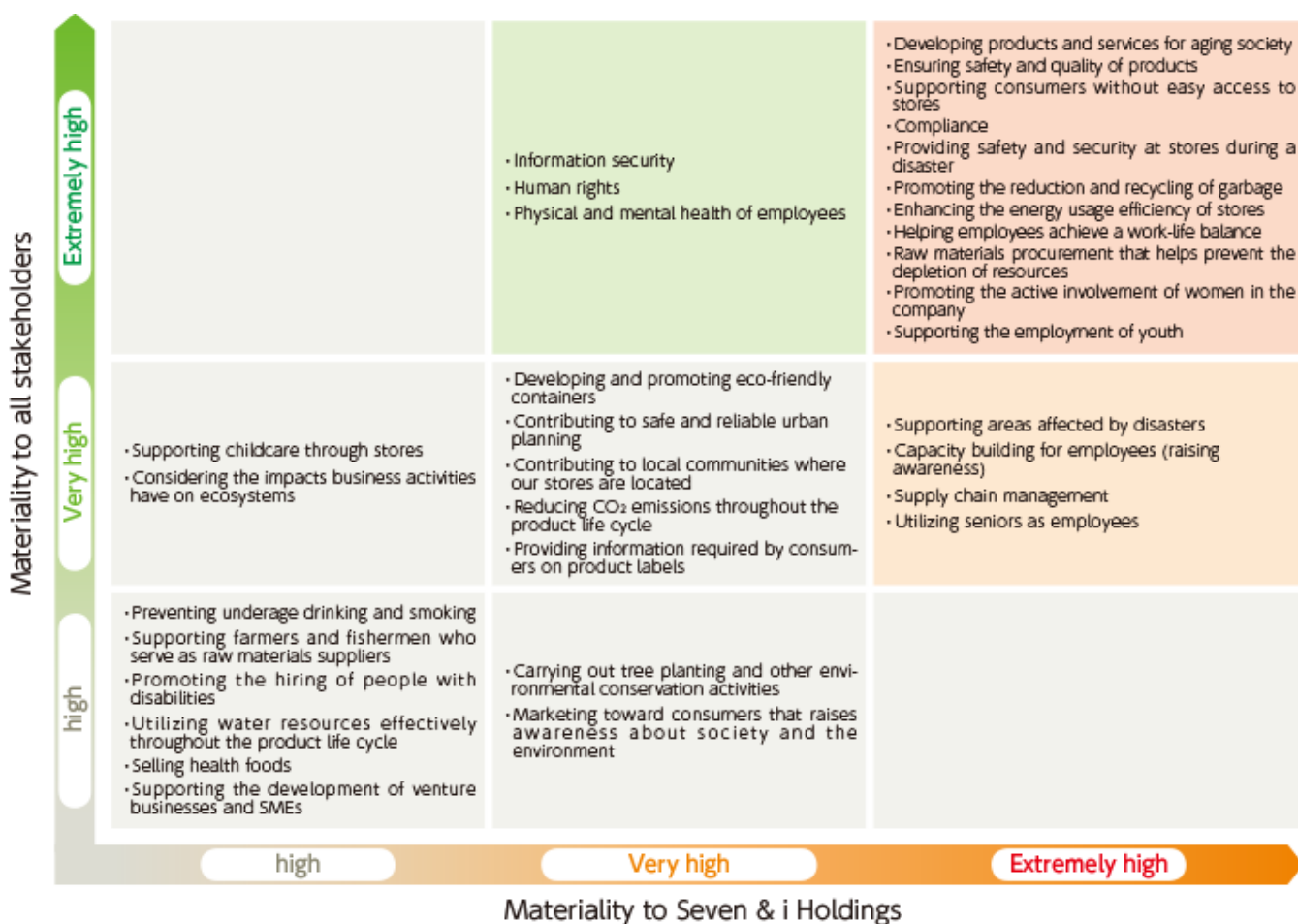
### Dialogue with experts

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



### Material Issue 2 >

Providing Safety and Reliability through Products and Stores



### Material Issue 3 >

Non-Wasteful Usage of Products, Ingredients, and Energy



### Material Issue 4 >

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



### Material Issue 5 >

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

## Material Issue 1 Providing Social Infrastructure for 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

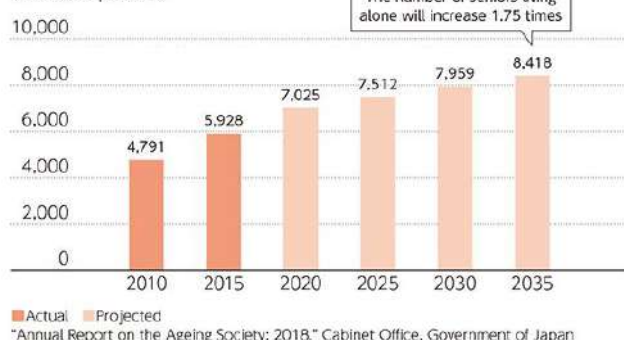
Japan is experiencing an aging society and declining population trends. By the year 2060, the national population will dip below 90 million and nearly 40% will be seniors\*. The number of seniors living alone continues to increase each year, with the number expected to rise 1.75 times from the level 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

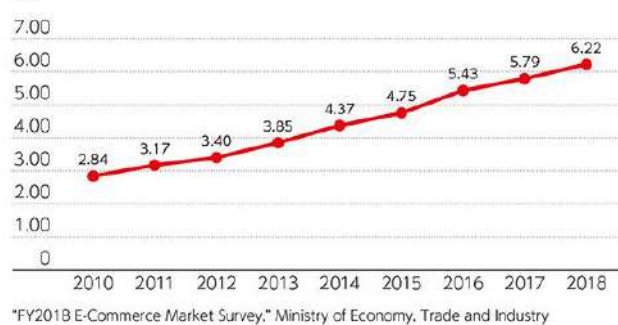
#### Number of Seniors Living Alone

(Thousand persons)



#### 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 this material issue, 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.

### 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.

### 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.

### 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.

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

### Shopping Support

Seven & i Group 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.



### Store Product Delivery Service

Seven & i Group provides a service in which products ordered online or by telephone are delivered to specified locations as well as in-store sales to help local residents do their everyday shopping more comfortably.

#### Online Convenience Stores

Aiming to realize "Anytime, Anyplace, Right Away," Seven-Eleven Japan provides an online convenience store service in which orders made by customers on their smartphones for any of about 2,800 products sold in stores are delivered to specified locations in as little as 30 minutes. Demonstration testing has been conducted at about 350 stores in certain areas in Hokkaido, Tokyo, and Hiroshima Prefectures as of the end of February 2021, and it aims to expand this service to 1,000 stores by the end of February 2022.



#### 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 28, 2021, the service operates a fleet of some 643 "COMS" ultra-small electric vehicles and Seven-Eleven Japan is also moving forward with the introduction of around 731 power assisted bicycles.



Seven RakuRaku Delivery

## Online Supermarkets

For food and household goods, Ito-Yokado has launched an online supermarket at 111 stores (as of the end of February 2021), by which products that are ordered on PCs or smartphones are delivered from nearby stores within specified time slots. In December 2014, Ito-Yokado started offering a service to support 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, in order to improve the efficiency of deliveries as well as meet the diversifying needs of our customers for pick-up options, Ito-Yokado also enhanced its non-contact delivery and drop-off services. As the first such service in Japan, 7&i Locker Pick-Up was launched in March 2020 with the temperature ranges of refrigeration, freezing, and room temperature. This is a service in which products ordered through the online supermarket are stored in specified lockers separated into room, refrigeration, and freezing temperatures. As of July 2021, the 7&i Lockers have been installed in a total of 5 locations in 7-Eleven, Ito-Yokado, and other stores.



Filling an online supermarket order



A 7&i Locker installed in front of a store

## Mobile Store Service

In recent years, as the birthrate falls, society ages, and nuclear families become more prevalent, retail stores and elsewhere that sell such things as fresh food have decreased, and this has led to a growing number of people who feel that everyday shopping is inconvenient. Seven & i Group has launched a mobile store service in order to solve these kinds of social issues.

### Seven Anshin Delivery

As of the end of April 2021, Seven-Eleven Japan operates 107 vehicles in 38 prefectures for its Seven Anshin Delivery mobile store service. Moving mainly through areas that are inconvenient for everyday shopping or have a large number of seniors who find it difficult to use transportation, these uniquely developed light trucks equipped with store facilities carry about 150 items that include food and household goods and range from frozen products to those at room temperature. Plans call for this service to be expanded further in the future to fulfill the needs of customers.

### Ito-Yokado Tokushimaru

In collaboration with TOKUSHIMARU inc., Ito-Yokado started operating vehicle No. 1 of the mobile store named Ito-Yokado Tokushimaru from the Minami Osawa store in April 2020. As of the end of February 2021, it had started operation of 27 trucks in 9 municipalities. Ito-Yokado is supporting customers who feel inconvenience by shopping through its mobile supermarket initiative, in which about 400 products totaling 1,200 items are loaded into mobile store vehicles and sold near the residences of customers. Ito-Yokado is also proceeding with enterprises related to neighborhood watch activities in collaboration with local communities. It is committed to expanding these efforts with the target of having 49 vehicles operating in 34 municipalities during the fiscal year ending February 28, 2022.



Seven Anshin Delivery



Ito-Yokado Anshin Delivery



Ito-Yokado Tokushimaru

## Store Pick-Up Service

Seven-Eleven Pick-Up Service is a service in which products ordered online can be picked up at the 7-Eleven store of your choice. Whether it is near your residence or workplace, at a business trip destination or elsewhere, late at night or early morning, pick-ups can be made whenever you like at 7-Eleven stores nationwide (some stores do not provide this service).

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. Allowing ordered products to be picked up at nearby 7-Eleven stores also contributes to the reduction of redeliveries and the CO2 emitted through these deliveries.



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

### Reducing Housework

In order to respond to customer demand for saving shopping time and reducing the hassle of housework, Seven & i Group 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.



### Store Product Delivery Service

In order to help local residents do their everyday shopping more comfortably, in addition to in-store sales, Seven & i Group provides a service in which products ordered online or by telephone are delivered to specified locations.

#### 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. Seven-Eleven Japan provides the Seven-Meal delivery 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.

#### 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 along with recipes that can be fully prepared in about 20 minutes. Since the ingredients are only what is needed and come pre-cut, the cooking time is shortened and needless garbage is avoided. 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. 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. For frozen foods, we have launched EASE UP, which offers authentic individual-sized staple meal choices that can be enjoyed just by microwaving, cooking in a pot or frying pan, or heating up in hot water.

※The menu changes according to the seasons.



A Meal Kit from Seven-Meal



EASE UP Kalbi Gukbap



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

### Expanding Services as a Form of Social Infrastructure

Seven & i Group works in collaboration with local governments to provide public services to support persons experiencing inconvenience in daily life by reductions in local government offices, banking services, and retail stores.



### Promoting Alliances with Municipalities

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 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 (by operating company)

	As of the end of February 28, 2019	As of the end of February 29, 2020	As of the end of February 28, 2021
Seven-Eleven Japan	140	184	194
Ito-Yokado	55	56	57
York-Benimaru	13	13	13
York Mart	4	4	4
Sogo & Seibu	13	13	12
Seven & i Food Systems	1	3	3
<b>Total</b>	<b>226</b>	<b>273</b>	<b>283</b>

➤ [For information regarding support during disasters](#)

## Retail of Products which Contribute to Regional Revitalization

Seven & i Group makes use of comprehensive alliance agreements to promote various regional revitalization initiatives with respective local governments. For example, 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 are helping to promote the appeal of local areas by retailing regional products and proposals for menus using local products and ingredients. In addition, at two stores in Chiba Prefecture's Yachio City, York 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 two types of bread.



"Pescatore made with firefly squid from Toyama Bay"  
sold in three prefectures of the Hokuriku region and  
Niigata Prefecture  
(Seven-Eleven Japan)



"Chutan-Student Invented  
Power to the People of the Prefecture!  
Boxed Lunch to Cheer Aomori"  
supervised by Aomori Chuo Junior College (Ito-Yokado)



"Fukui Supporter Specialty Food Fair"  
held at the Seibu Fukui Store  
(Sogo & Seibu)



Bread conceived and realized by high school students  
from Yachio City, Chiba Prefecture "Yachipan Project"  
(York)

## Establishment of Polling Stations in Stores

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. 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, 2021, this was rolled out at 25 Ito-Yokado stores and 1 Sogo & Seibu store. It was publicized at stores via poster displays and in-store announcements, as well as printouts on receipts. In addition, we liaised with the secretariats of respective election administration commissions to provide thorough disinfection of pencils and voting podiums, as well as ensuring sufficient distances were maintained between lines, from the perspective of preventing the spread of infections with COVID-19 (coronavirus disease).



A polling booth set up in an Ito-Yokado store

## Services also Available on Public Holidays and Nighttimes

In recent years, households in which both spouses work for a living have increased, and an increasing number of people have difficulty completing payments of utility bills at financial institutions and procedures at government offices on weekdays. In 1987, Seven-Eleven Japan thus initiated a service for 24-hour payment of utility bills at store registers irrespective of the business hours of banks. Since then, in addition to utilities bills, we have expanded this service to processing NHK license fees, national pension scheme and all types of tax payments, as well as catering to administrative services and insurance enrollment using multifunctional copiers.

### Government Services (Issuance of Various Certificates)

Seven-Eleven Japan's stores, in an agreement with 851 municipalities (as of the end of April 2021), offer a service for issuing copies of residence certificates and seal registration certificates using in-store multifunctional copiers. This service is currently being expanded, as family register certificates can now be issued for 435 municipalities and tax certificates for 580 (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

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 multifunctional copier 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 copiers can copy print, issue various types of certificates, and even issue insurance policies

## Bicycle Sharing

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 264 bicycles at 41 stores in the Tokyo Metropolitan region and regional cities during the fiscal year ended in 2021. A total of 3,414 of these machines had been installed at 529 stores as of the end of February 2021. 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

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

### Providing Services to a Wide Range of Customers

Seven & i Group 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

Seven & i Group supports the creation, localities where it has opened stores, 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 the end of February 2021, is 38,383 in total. Notably, Ito-Yokado had in excess of 10,000 such supporters by November 2020. We will continue to strengthen our efforts to develop “dementia supporters.”

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

#### Number of Dementia Supporter Training Course Takers

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 (Target)
Cumulative participants	24,029	29,623	34,110	37,550	38,383	40,000



Dementia supporter training

## Marketing Products that Support Senior Lifestyles

According to the Cabinet Office, as of October 1, 2019, the percentage of the total population of persons aged 65 years old and over (elderly ratio) was 35.89 million, accounting for 28.4% percent of Japan's population. In addition, it is forecast that this percentage will reach 33.3% by 2036. In this context, Seven & i Group is promoting the development and retail of products, and proposing lifestyle solutions, aimed at the elderly.

### Development of "Anshin Support Shop"

Ito-Yokado is developing the Anshin Support Shop at 97 stores, which carries an extensive selection of apparel, daily essentials, and foods, including products that support the health and lifestyles of seniors and care products (as of the end of June 2021). In addition to explanations of products features by sales staff with specialized knowledge on caring including counselors specialized in welfare equipment, these staff are also able to deal with consultations regarding nursing care and welfare issues in general (about 140 counselors as of the end of February 2021). In addition, Ito-Yokado is working to develop products in response to customer opinions and comments. Products such as "Feet-friendly Slippers" which are easy to wear or be fitted, and the "Triangular-fit Walking Stick" which prevents pain between the fingers by means of a triangular grip customized to fit the palm and an original-design flexible arm, have been well-received by customers.

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



Anshin Support Shop

### Permanent Installation of "Living Design Salon"

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.

> [For more details about Living Design Salon \(in Japanese\)](#) 

## Financial Services for Foreign Residents

Seven Bank provides the "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 the end of March 2021, we have concluded agreements with 13 local government organizations.

In addition, Seven Global Remit, a subsidiary of Seven Bank, started an overseas remittance service for Vietnam in March 2021, using the "Sentry" smartphone app to cater to customer demand for those wishing to send money simply, conveniently, and with reasonably-priced processing fees. This allows cash to be charged (deposited) at more than 25,000 Seven Bank ATM machines throughout Japan, to easily remit money overseas from a "Sentry" application account.



## Development of ATMs Easy to Use Even for Customers with Disabilities

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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 over 500 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.



Voice guidance service



ATM with cane and drink holders

## 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

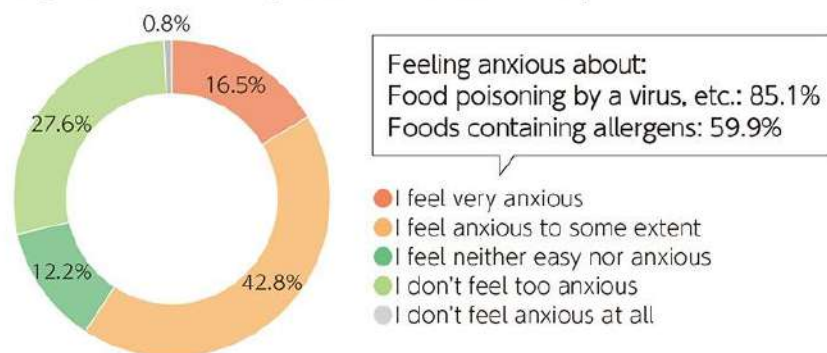
[Quality Policy](#) >

### 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

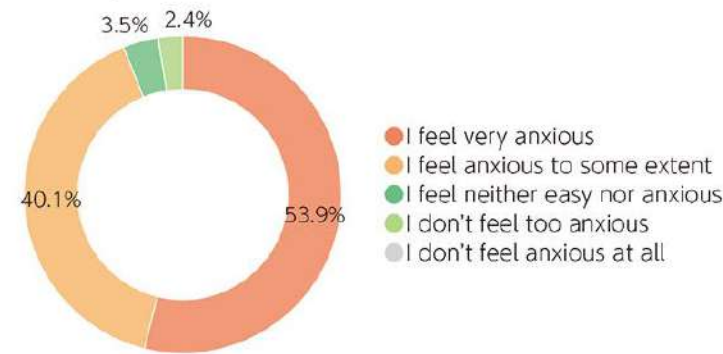


Food Safety Commission: Results of the 2019 report entitled "Awareness About Food Safety"

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.

Anxiety about Natural Disasters



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

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 material issue, Seven & i Group will provide living bases that ensure people's safety and security in the event of natural disasters due to 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.

### Food Safety and Reliability >

We are working on a variety of measures to emphasize safety and reliability at all stages from raw materials procurement through to sales.

### 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.

### 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.

### 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.

### 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.

### 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.

### 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.

### 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.

## 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

Each company in Seven & i Group handles products whose safety has been ensured through checks by the quality control department before purchasing them. 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 in which specialized quality control departments can objectively determine responses to incidents
2. A system for reporting a serious incident quickly to the Representative Director and President
3. Guidelines for judging whether to recall products or continue sales if a serious incident occurs

### Quality Control Training for Employees

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 any accidents and incidents pertaining to products. In the fiscal year ended February 28, 2021, at Seven & i Holdings and each Group company that handles food products, 497 personnel in charge of food purchasing were given training on nutrition labeling and place of origin/additive labeling. Seven & I Group is also in the process of revising training content, and is developing additional educational content with a view to cultivating future personnel capable of leading the field of quality management.

Since HACCP\*1 was enacted (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, also in June 2020. 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, 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 fiscal year ended February 28, 2021

Training Details	Participants	Ratio	Target
Nutrition labeling training※1	498	100%	Those handling food purchasing
Place of origin/additive labelling training※1	497	99%	Those handling food purchasing
Basic textile training※2	231	94%	Those handling procurement of textile products such as apparel and bedding
Dyeing and printing training※2	228	93%	Those handling procurement of textile products such as apparel and bedding
Processing and inspection training※2	79	88%	Those handling procurement of textile products such as apparel and bedding
Products claims training(discussion)※2	60	98%	Those handling procurement of textile products such as apparel and bedding
Cleanliness training※2	160	84%	Those handling procurement of apparel and household items
Antiviral labelling training※2	154	81%	Those handling procurement of apparel and household items
Pharmaceuticals and Medical Devices Act training※2	105人	73%	Those handling procurement of apparel and household items

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 training: Seven-Eleven Japan, Ito-Yokado, York Benimaru, York, SHELL GARDEN, Akachan Honpo, THE LOFT, IY Foods, Sogo & Seibu, Gottsuobin, Seven & i Food Systems, and Barneys Japan (\*Other operating companies that handle food products carry out their own training)

※2 Target operating companies for apparel and household items training: Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, Akachan Honpo, THE LOFT, Nissen, Barneys Japan, and Oshman's Japan

## Acquiring Quality Management Certification

Seven & i Group has sought and attained various quality management certification in order to strengthen quality management for products such as foodstuffs, clothing, and household goods.

### Participation in the Japan Food Safety Management Association

Seven & i Holdings became one of the founders of the Japan Food Safety Management Association (JFSM)<sup>※1</sup>, 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. We did this in partnership with food-related companies, 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<sup>※2</sup> developed by this association, we aim to improve food quality as a retail group that is building a supply chain.

Currently, eight Group companies<sup>※3</sup> 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 the Group's "Seven Premium" private brand products and fresh foods such as Seven-Eleven's 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, SHELL GARDEN, Sogo & Seibu, Gottsuobin, Seven & i Food Systems

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

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)<sup>※1</sup> 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 enactment of HACCP, the NDF-FSMS certification system<sup>※2</sup> was revised. In March 2020, all factories that manufacture original products such as boxed lunches, rice balls, sandwiches, delicatessen items, noodles, bread, and pastries obtained certification and conformance certification. (Number of the factories as of the end of March 2021: 176)

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 2021, 92% 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 FSMS: The Food Safety Management System (FSMS) is a system designed to manage potential food safety hazards in order to ensure delivery of safe and reliable foods to consumers.

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



### Acquisition of GAP Certification

For our private brands "Fresh Vegetables with Traceability" and "Fresh 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 farm management to improve safety and protect the environment. Certification has been acquired by 224 producers as of the end of February 2021, 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 in March 2018. Certification has since been expanded to the York-Benimaru Head Office. 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 local customers regarding food products and enhance product quality in all stages from procurement to sale. In addition, at York, in April 2020, the York Mart Nerima Heiwadai location passed the one-year renewal of the Tokyo Metropolitan Food Sanitation Meister System, considered a step toward ISO certification. In addition, IY Foods, a Group food manufacturer, acquired ISO 22000 certification in August 2016.



## Hygiene Management Based on ISO 9001

Seven & i Food Systems' QC Office, the hygiene management department, has acquired the ISO 9001 international standard concerning quality management. Utilizing this system, the company is working to boost both hygiene management and employee training (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 \(in Japanese\)](#)



## Audits of Processes at Apparel and Household Goods Manufacturing Factories

Seven & i Group sells apparel and household items, such as the Group's "Seven Premium" private brand products, while Group companies sell their own private brand products as well. To ensure the safety of these products, we conduct audits of our processes at our manufacturing factories both in Japan and overseas (These audits were cancelled for the fiscal year ended February 28, 2021 due to the impact of COVID-19).

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 based on these standards. Seven & i Holdings issues a process audit "Compliance Certificate" to factories whose audit results have cleared certain standards.



Compliance certificate

## Response to Product Incidents and Implementation of Exercises

Seven & i Holdings assumes the occurrence of product incidents and product defects within the Group. By conducting regular exercises, Seven & i Holdings and each Group company mutually confirm the flow from the occurrence of an incident to investigations, reports, and corrections, and confirm the effectiveness of the incident response system. Should a product incident occur, the company promptly reports to the president, deliberates and makes decisions on any corrective actions, and the department specializing in quality control confirms the implementation and completion of corrective actions.

## External Recognition for Initiatives Addressing Quality Control

Ito-Yokado received the METI Minister Award at the Minister of Economy, Trade and Industry Product Safety Awards<sup>※1</sup> three times, and was also certified as a gold product safety company<sup>※2</sup> in the fiscal year ended in February 29, 2016—a first for a general supermarket. In March 2021, Ito-Yokado was again certified as the gold product safety company upon undergoing a follow-up audit, earning the single star Gold PS Award mark.

※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 METI Minister Award at the Minister of Economy, Trade and Industry Product Safety Awards in 2011, 2013, and 2015.
- Ito-Yokado was certified as a gold product safety company in 2015.
- Ito-Yokado was certified again (follow-up) as a gold product safety company in 2020.
- Ito-Yokado was once again certified as a gold product safety company in 2021.



single star Gold PS Award mark



### Food Safety and Reliability

Seven & i Group is working on a variety of measures to emphasize safety and reliability at all stages from raw materials procurement through to sales.

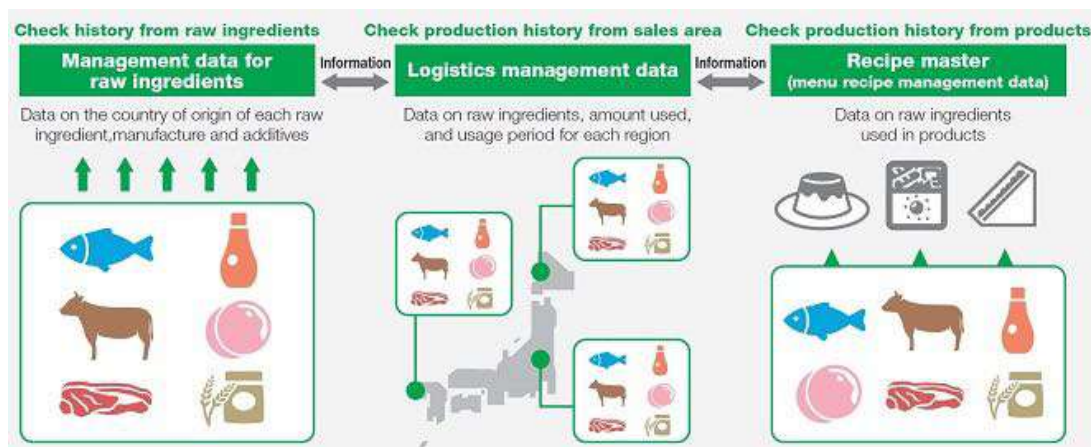
#### Centralized Management of Production Records

Seven-Eleven Japan uses an average of 40 different food materials (including seasonings) per daily food product item, which includes rice balls and delicatessen items. To manage these individual products and accurately identify which factories produce them and what materials are used in which areas, Seven-Eleven Japan manages information from all its approximately 180 factories using a database system and links to the POS(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 allows us to immediately respond to any problems that may occur with raw materials. We also check for the presence of allergic substances and additives in our products to ensure that they are sold with the utmost care.

In addition, Seven-Eleven Japan is also able to precisely track the volume of food materials, packaging, and containers used at every factory, 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.

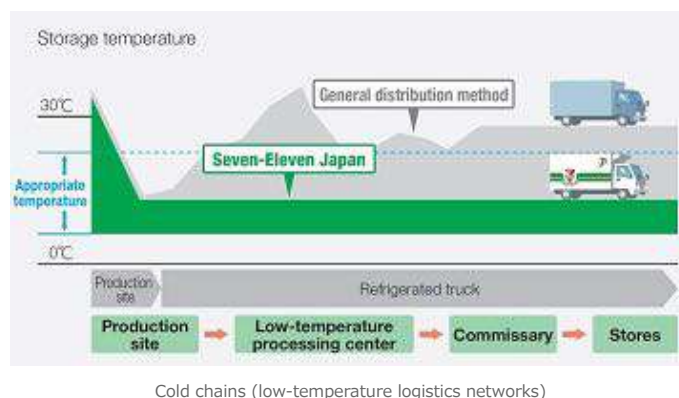
> [For more details about Seven-Eleven Japan initiatives \(in Japanese\)](#)

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



#### 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.



## Providing Reliable Products

### Fresh Foods with Traceability (Traceable Fresh Foods with a Face of the Producer)

Ito-Yokado sells products under its private brand Fresh Foods with Traceability, where it achieves an accurate understanding of production sites, production methods, and distribution channels and communicate these to customers. For these products, its 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 28, 2021, 254 items are handled under the Fresh Foods with Traceability brand, covering fresh foods including vegetables, fruits, meat, eggs, fish, and rice.

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

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



### Products with Visible Production Areas

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 28, 2021, we are handling about 20 product items under this system.

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

### Approach toward the Use of Food Additives

Seven-Eleven aims for fresh, homemade taste for fresh foods such as boxed lunches, and when using food additives, uses the minimum amount and types necessary. Further, we have set voluntary standards for food additives and make every effort to minimize the use of food additives that are of deep concern to our customers.

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



## Reducing Trans-Fatty Acids

It is said that excessive trans-fatty acids increase bad cholesterol in the blood and reduce good cholesterol, heightening the risk of coronary heart disease among other things. In Japan, where intake is low compared to other countries such as Europe and the United States, there is currently no obligation to display trans-fatty acids and no upper limits have been set. Seven-Eleven, however, has been voluntarily making improvements since 2005 to reduce the total amount of trans-fatty acids. In addition, from 2007 we have improved frying oil in order to reduce trans-fatty acids produced in the process of processing fats and oils.

➤ [For more details about Seven-Eleven Japan's initiatives for the reduction of trans-fatty acids \(in Japanese\)](#) 



### 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

## Labeling of Food Allergy Information

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<sup>※</sup> so that people with food allergies can choose products with confidence.

Further, 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

## Display on all Fresh Foods

At Seven-Eleven Japan, in addition to specified ingredients, equivalent items are displayed on all fresh foods, 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 is disclosed on the website.

➤ [For more details about allergy information of in-store cooked products \(in Japanese\)](#) 

## Display on Products Cooked In-store

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.

## Display on menu book and terminal tablet

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)<sup>※</sup> 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.

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

## Sales of Products with Food Allergy Considerations

Seven & i Group offers a low-allergen menu to make meals delicious and enjoyable, regardless of food allergies or not.

### Sales of "Healthy Fruitcake"

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"

### Sales of "Low-Allergen Menu and Low-Allergen Cake"

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

## Conducting Food Allergy Workshops

As part of its initiatives to understand food allergies, Seven-Eleven Japan co-hosted online workshops in March and April 2021 with the Atopicco Network for Children of the Earth, an authorized NPO. A total of 10 people in their 10s and 20s with food allergies, and their guardians, participated in a game to select products they could eat from a display of actual products, and learned about rules on food labelling and how to read them. Through discussions, people with food allergies and their families shared how they chose actual products, deepening mutual understanding. Seven-Eleven Japan is committed to continued efforts to make display of allergens more accessible by referring to the opinions from the workshops.





Workshop on food allergies

## Regarding Handling of Genetically Modified Foodstuff

Seven & i Group 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).

## Inspection for Radioactive Substances

In response to an increase in inquiries since the Great East Japan Earthquake, Seven & i 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. Inspections for radioactive substances are conducted for Ito-Yokado's Foods with Traceability and the results are published on the company's website. As of the end of August 2019, we completed voluntary inspection of radioactive materials for York-Benimaru, which was being conducted since April 2012. From September 2019, we have been posting the results of the inspection of radioactive materials conducted by our business partners and government agencies on our website.

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

### Health and Nutrition

Seven & i Holdings is striving to reduce the use of food additives and provide nutritionally balanced food products in consideration of customers' further health-consciousness amid the growing focus on health and nutrition, including obesity, diabetes, metabolic syndrome, and nutritional deficiencies. 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)

### Sales of Healthy Food Products

Starting in March 2018, Seven-Eleven Japan adopted "Good Health Starts with this Hand" as a new catchphrase, at the same time implementing a rollout at 7-Eleven stores nationwide of products formulated specifically for safety, reliability, and health. As of June 2021, Seven & i has released a new healthy product series in response to increasing demand for healthier food. Marked with a special logo and labelled in accordance with food labeling guidelines, these products feature selling points intended to appeal to health-conscious consumers such as protein or dietary fiber content, or that contain at least one-half of the daily requirement of vegetables. Seven-Eleven Japan plans to expand upon these kinds of product 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 that meet their specific needs.

※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.



Example of Seven & i dedicated logo



Seven-Eleven healthy product series



Ito-Yokado: Boxed lunch supervised by registered dietician

Labeling of Nutritional Components

In addition to the five components\* of energy, protein, fat, carbohydrates, and salt equivalents stipulated by the Food Labeling Law, 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, fresh foods such as 7-Eleven's 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 of "Seven Premium," we also provide voluntary labelling of items such as saturated fatty acids, trans-fatty acids, and cholesterol. Calorie counts are printed on the front of many products to make it easier for customers to find when selecting a product.

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



Example of sugars noted in large lettering on front of package:  
"Seven Premium Salad Chicken with 0g of Sugar"



Example of nutritional labeling including sugars and dietary fiber on package:  
"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.



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

### Communication with Customers

Seven & i Group, whose core business is retailing, considers the large number of contact points with customers and the frequency of communication with them to be among its key management resources, collects information from customers through a variety of means, and strives to develop products and improve services by utilizing the valuable opinions that we receive from customers.

### Establishment of Customer Support

Seven & i Group quickly responds to comments and requests provided by email or phone through customer support 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. In the fiscal year ended February 28, 2021, eight Group companies\* received a total of approximately 1.51 million opinions, requests, and inquiries.

\* Totals are for eight companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, and Seven Bank.

➤ [Information on customer feedback at Group companies can be found here](#) 

### Customer Support Information Liaison Meetings

Seven & i Group holds a monthly information liaison meeting, which is attended by customer support supervisors at each Group company, in order to reduce the factors that cause customer dissatisfaction and raise satisfaction levels throughout the Group. Measures taken in response to comments and requests received from customers are shared on a regular basis and the information is incorporated into product and service improvements. Annual training is also held for customer support personnel at each Group company with a view to further refining customer service skills. In the fiscal year ended February 28, 2021, 80 employees from 12 Group companies participated in the training.

#### Main Training Themes in FY2020

- Customer service during the COVID-19 pandemic
- Methods of responding to customer emotional needs
- Acquisition of fundamental skills for responding to customer email and to customer suggestions



Customer support personnel training



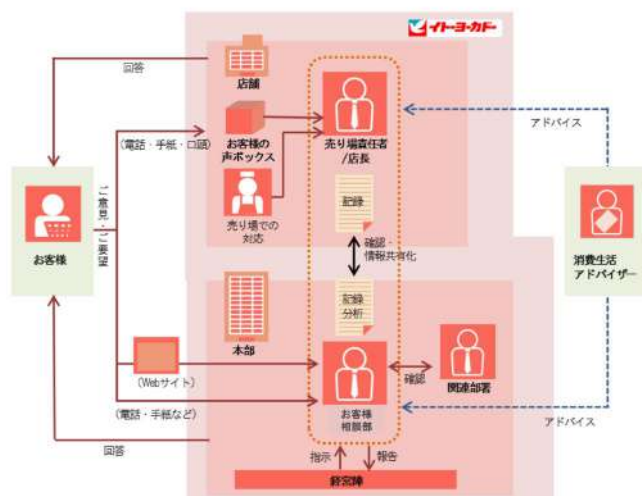
## Collecting Customer Feedback

Seven & i Group collects feedback from customers on customer service, sales floor setup, product lineups, and other aspects of operations in order to further improve its products and services. For example, Seven-Eleven Japan, conducts regular customer questionnaires to ascertain the needs of customers nationwide and uses the information to develop products and services. Also, Ito-Yokado has been continuously conducting online customer questionnaires, which customers can access using a QR code printed in their receipts, since July 2020. Customers can specify whether they were “very satisfied,” “satisfied,” “neither satisfied nor dissatisfied,” “dissatisfied,” or “very dissatisfied,” and a target has been set to raise customers who respond “satisfied,” which is the most common response, and “neither satisfied nor dissatisfied” to “very satisfied.” The questionnaire responses lead to improvements in customer service. In addition, store surveys are contracted to external agencies certified as consumer affairs advisors to collect feedback from store customers. Ito-Yokado, York-Benimaru, York, Sogo & Seibu, and SHELL GARDEN have installed in stores suggestion boxes where customers can submit opinions and requests. Other Group companies also analyze customer opinions and operate mechanisms for using customer feedback to improve product development and services.

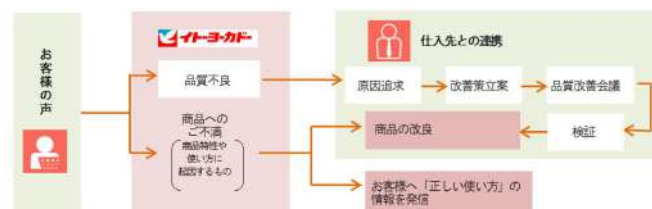
### Percentage of customers responding “very satisfied” (from Ito-Yokado questionnaires)

The 2nd quarter of FY2020	The 3rd quarter of FY2020	The 4th quarter of FY2020
18.1%	20.8%	20.6%

※The second quarter questionnaire was implemented in August 2020 (sample size: approximately 68,000), the third quarter questionnaire was implemented in November 2020 (sample size: approximately 44,000), and the fourth quarter questionnaire was implemented in February 2021 (sample size: approximately 58,000),  
 ※ The period for each questionnaire was one week.



Mechanism for using Customer Feedback (Ito-Yokado)



Flow of Responses to Product Deficiencies and Customer Dissatisfaction (Ito-Yokado)

## Product Development by Using Customer Feedback

For “Seven Premium” products, the private-brand products of the Seven & i Group, the Group launched “Seven Premium Improvement 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.

Nissen Holdings, which engages in the mail order business, operates user-participation research sites for product development. In addition to online surveys, Nissen Holdings conducts focus groups, interviews, product monitoring surveys, mail surveys, venue surveys, and other research to improve services and develop better products.

- [For more details about Seven Premium Improvement Committee \(in Japanese\)](#)
- [For more details about measures on the Nissen Holdings research site \(in Japanese\)](#)
- [For more details about the private-brand product development system \(in Japanese\)](#)

## Improving Services by Using Customer Feedback

Seven & i Group collects opinions received from customers and uses them in an effort to improve product store environments and offered services.

### Establishment of “Stations”

Sogo & Seibu created “stations” that provide individualized advice on customer concerns and inquiries ranging from makeup to coordination and shoe selection. These stations provide highly-detailed service.

#### Main “Stations”

- Kirei Stations: Beauty advisors help customers enhance their beauty.
- Makeup Stations: Beauty stylists provide counseling on makeup issues. They introduce recommended products and provide advice on makeup techniques.
- Shoes Stations: Customer feet are analyzed using a check sheet and a specialized 3D device. Advisors listen to customer needs and help them choose the best shoes

➤ [For more details about Sogo & Seibu stations initiatives \(in Japanese\)](#) 

### Three-year Premium Compensation

Akachan Honpo has many first-time customers and seeks to reduce customer concerns about safety by offering free premium compensation\* that covers malfunction, damage, theft, and more for three years from the date of purchase of products relating to child safety.

※Compensation in cases where Akachan Honpo Point App members and Akachan Honpo E-Commerce members purchase strollers, child car seats (including junior car seats), baby slings, and tricycles

➤ [For more details about the Akachan Honpo Premium Compensation \(in Japanese\)](#) 

### Easier-to-Use ATMs Installed

To eliminate concerns about people watching when customers use ATMs and the enhance usability, Seven Bank has installed throughout Japan 6,020 fourth-generation ATMs with an expanded privacy area, large and high-visibility displays, and universal design (as of the end of March 2021).

➤ [For more details about the Seven Bank fourth-generation ATM \(in Japanese\)](#) 

### 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. Seven & i Holdings and Group companies protect customer information and other information assets possessed by the Group from various threats, including illegal access and cyberattacks. The Group as a whole recognizes that ensuring information security is an important issue in terms of both management and business.

Seven & i Group has built information security management and personal information protection systems so that all executives and employees and all parties involved in our operations handle information assets appropriately and use them properly. These systems are disseminated to all executives and employees through education and training. In addition, we have established a management system that responds to environmental changes caused by social requirements, compliance, cybersecurity, and so on. We endeavor to appropriately manage and protect personal information and other information assets and are making continuous improvements.

### Development of Information Security Management System

To make the security departments, which previously were located in systems departments, independent from business execution, we newly established the Security Management Office directly under the control of the representative director of Seven & i Holdings as a body to overview the entire Group's security. As well as revising the Basic Policy on Information Security, Basic Policy on Personal Information, and attached rules and guidelines, which are the Group's common guiding principles, this office strengthens security as a whole by, among other things, supporting Group companies in building information security management systems (ISMSs), fostering security-related human resources through educational programs and so on, and bolstering monitoring functions.

In addition, based on the Group Information Management Committee operated by Seven & i Holdings, we promote the ensuring of safety and security throughout the entire Group by collaborating with the Information Management Committees of Group companies to raise awareness of security among all executives and employees and to further instill security through the special subcommittees under them.

The Information Management Committees at the Group companies appoint officers responsible for information management to supervise planning, promotion, and management relating to information security and ensure the reliability of personal information and other important information from the perspectives of both compliance and security.

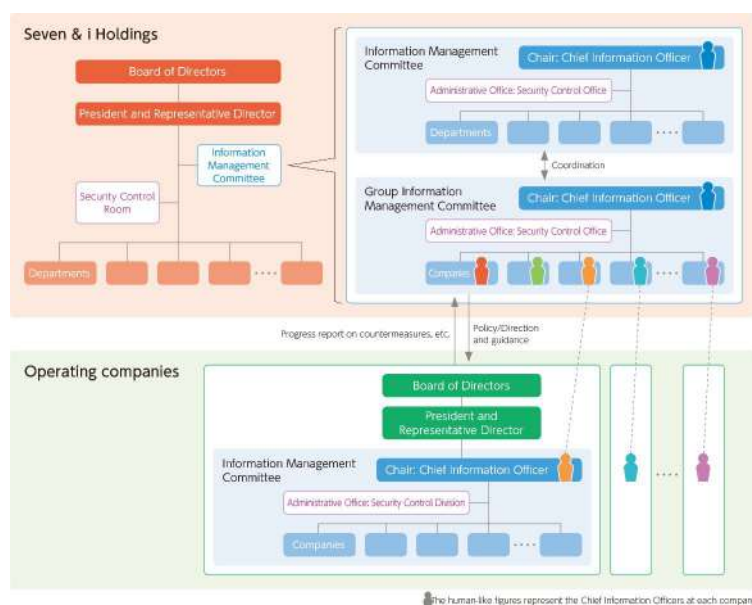
At present the building of internal control through ISMSs is making headway in the Group companies, and main sites handling customer information are making efforts to acquire ISO 27001 certification, which is an international standard, and to further strengthen security through outside screening.

Under the overall setup, we have established Group-wide report lines, such as the Guidelines for Reporting Significant Events. If an incident or suspicion regarding information security did occur, we can guarantee the reliability of information transmission and would endeavor to make a swift response.

➤ [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 believes that to ensure the appropriate handling of personal information and confidential information in daily work, it is necessary for every executive and employee to understand the importance of information security, to raise their awareness of information security, and, on top of that, to have the knowledge required for accurate judgement and conduct.

Seven & i Holdings implements security education through e-learning several times a year at three levels (for directors, for managers, and for general staff) according to their respective job responsibilities so that they can respond properly to information security and cybersecurity threats. We also disseminate this teaching material to the Group companies so that all executives and employees in Seven & i Group can have the same level of knowledge.

In addition, we have opened an educational portal site with materials that can be quoted in manuals, meetings, etc. on information security, personal information protection, and so on, as well as a security video that can be borrowed. We are endeavoring to provide enlightenment so that all executives and employees can think and act for themselves.

### Targeted Email Attack Training

The threat of cyberattacks by means of targeted email attacks is increasing day by day. Regular training is essential for all executives and employees to be able to respond properly if they come under attack. At Seven & i Holdings we send multiple patterns of mock email to all executives and employees and strengthen their ability to respond through actual experience of how to discern suspicious email and how to respond should such email be received.

## Strengthening of Cybersecurity Countermeasures

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Seven & i Holdings has positioned cyberattacks, which are becoming more advanced and more sophisticated by the day, as a serious risk in management and is endeavoring to strengthen cybersecurity countermeasures, including the building of a multitiered defense network to guard against illegal hacking into networks, conduct proper access control, etc.; the establishment of a setup capable of responding to threats; the education and training of human resources; and collaboration with outside professional bodies.

- (1) Establishment of special organization As a special organization to handle cybersecurity, we have set up the 7&i Computer Security Incident Response Team (7&i CSIRT) to undertake security reviews of the information system and its operation and to promote cybersecurity countermeasures for the prevention of security incidents, such as vulnerability diagnosis by a third-party body, monitoring of illegal access, and vulnerability response.
- (2) Education and training One or more times a year we implement education and training supposing a cybersecurity incident or accident so that if a cyberattack or the like does occur, we can respond swiftly and appropriately and minimize the damage. By thus improving the response capability of the special organization and all executives and employees, we ensure that our response setup and response measures against incidents and accidents function effectively.
- (3) Outside collaboration In order to be able to respond speedily to cyberattacks and so on, we collaborate with such outside organizations as the Japan Computer Emergency Response Team Coordination Center (JPCERT/CC) and the Nippon CSIRT Association, sharing information with them on cyberattacks, countermeasure trends, etc.

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

### Appropriate Sales and Information Disclosure for 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

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 the Group companies to provide basic knowledge on improper labeling and excessive gifts or giveaways prohibited under laws and regulations. In addition, e-learning is conducted for the Group personnel involved in procurement and its head office staff. In the fiscal year ended February 28, 2021, 19,019 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

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. 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



Poster informing customers about age checks



Cashiers receiving training on the sale of alcohol and tobacco



### 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 Safty Station (SS) Activity Notice





### Disaster Assistance

Seven & i Holdings strives to quickly reopen its stores and establishments and keep them in operation even during disasters as a part of its mission to preserve community lifelines and fulfill its role as social infrastructure when disasters occur.



### Swift Regional Relief Activities in Disasters and Local Awareness-Raising

Seven & i Group stores strive to preserve community lifelines during disasters by working quickly to resume and continue operations, as well as providing swift regional relief during disasters along with tap water, restroom facilities, disaster information, and other necessities. Head Office also provided support for stores in the form of product supplies and special assistance for staff members. In preparation for a wide range of situations, we work with the community to fulfill our role as important social infrastructure for daily living.

In addition, Seven & i Group companies have been promoting the conclusion of agreements on assistance with relief provisions and support for evacuees during disasters with local governments, under which they provide material assistance in line with requests from local governments during disasters. All Group stores conduct fundraising activities to assist people affected by disasters and have launched free Wi-Fi service Seven Spot. In July 2017, three Group companies—Seven & i Holdings, SEJ, and IY—were designated as public institutions under the Basic Act on Disaster Control Measures. As daily initiatives, the stores feature disaster preparedness sections and hold events to learn disaster prevention and so forth in a bid to raise customer awareness of disasters.

### Cooperation with Local Government During Disasters

Seven-Eleven Japan and Denny's, which is managed by Seven & i Food Systems, have registered stores and restaurants in prefectures with which agreements have been executed as Disaster Support Stations. In the event of a large-scale disaster, these sites will provide tap water, restroom facilities, and information to the extent possible to persons who are unable to return to their homes.



A Disaster Support Station sticker

### Providing Means of Communication in Emergencies

Seven & i Holdings allows its free Wi-Fi service Seven Spot, located at approximately 20,000 Seven & i Group stores nationwide, to be used on a special basis during emergencies even by people who have not registered as members so that they can confirm the safety of friends and relatives and serve as a line of communication for those who are unable to return home. Seven-Eleven Japan has also set up emergency phones that can be used free of charge (special public phones for use during disasters) at a portion of its stores within Tokyo's 23 wards.



Emergency telephone



Free in-store Wi-Fi service Seven Spot

## 7VIEW: Seven Visual Information Emergency Web

Seven & i Holdings compiles a range of information within the Group but we have also joined with business partners to develop the 7VIEW\*1 system for providing, sharing, and utilizing disaster information more broadly. "7VIEW" is a system that displays the status of stores and distribution bases in disaster areas on a cloud map so that related divisions can grasp the situation. In addition to existing functions such as a hazard map, a disaster-related SNS display, and a weather forecast, we will enhance cooperation with the national government and research institutes in the fiscal year ended February 29, 2020 and continue to evolve so that we may further contribute to rapid recovery from disasters.



7VIEW screen

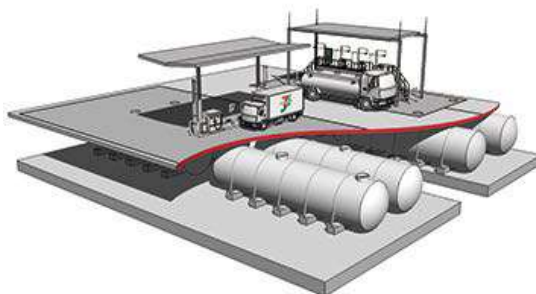
\*1. Visual Information Emergency Web

\*2. Disaster Information Sharing System

## Fuel Depot for Delivery of Emergency Provisions

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 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 the 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. 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

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, in March 2021, sales events was held for products from affected partner companies in Tohoku region and the products of major food manufacturers at Ito-Yokado (126 stores.)

#### Tohoku Kakehashi Project

	Launch	No. of co-sponsors and participating companies	No. of items
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
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

York-Benimaru supports 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 \(in Japanese\)](#)

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

### Approach to Material Issues

Seven & i Group operates around 22,600 primarily retail stores throughout Japan and has grown to be used by approximately 22.4 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](#) >

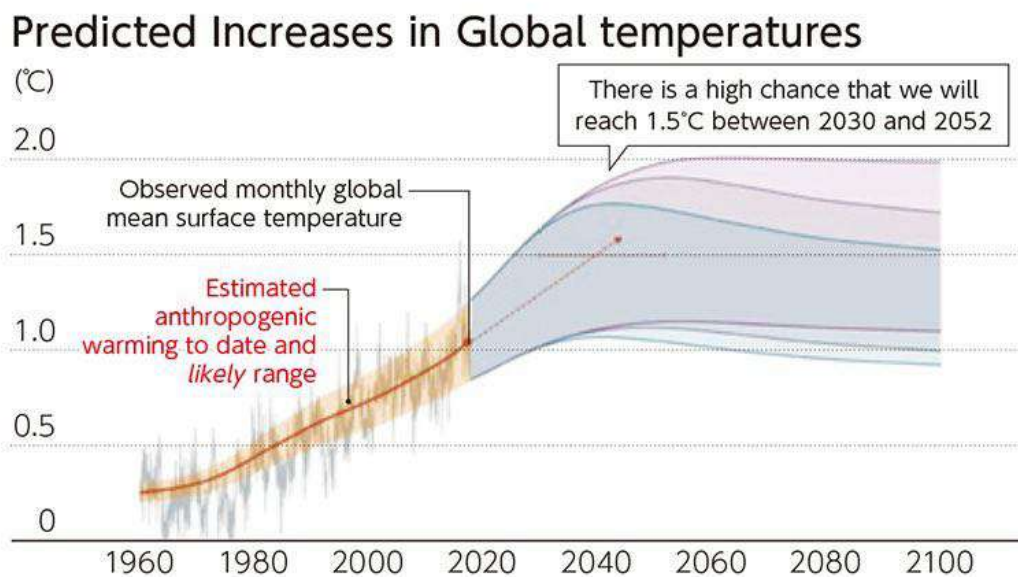
["GREEN CHALLENGE 2050" Environmental Declaration](#) >

[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.



Source: IPCC "Special Report: Global Warming of 1.5°C" (October 2018)



## 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) [PDF:7.17MB]

### 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 this material issue, 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.

### 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.

### 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.

### Measures against Food Loss/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."

### 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.

### 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. 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.

### 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.



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

### Environmental Management

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 moving ahead with environmental initiatives by way of the Seven & i Holdings Environment Subcommittee, which is attended by the supervisors of the Environment Divisions at our Group companies, as well as through our Innovation Teams established for the purpose of implementing initiatives falling under the environmental declaration “GREEN CHALLENGE 2050.” In addition, each Group company has established an environmental management system appropriate to its line of business.



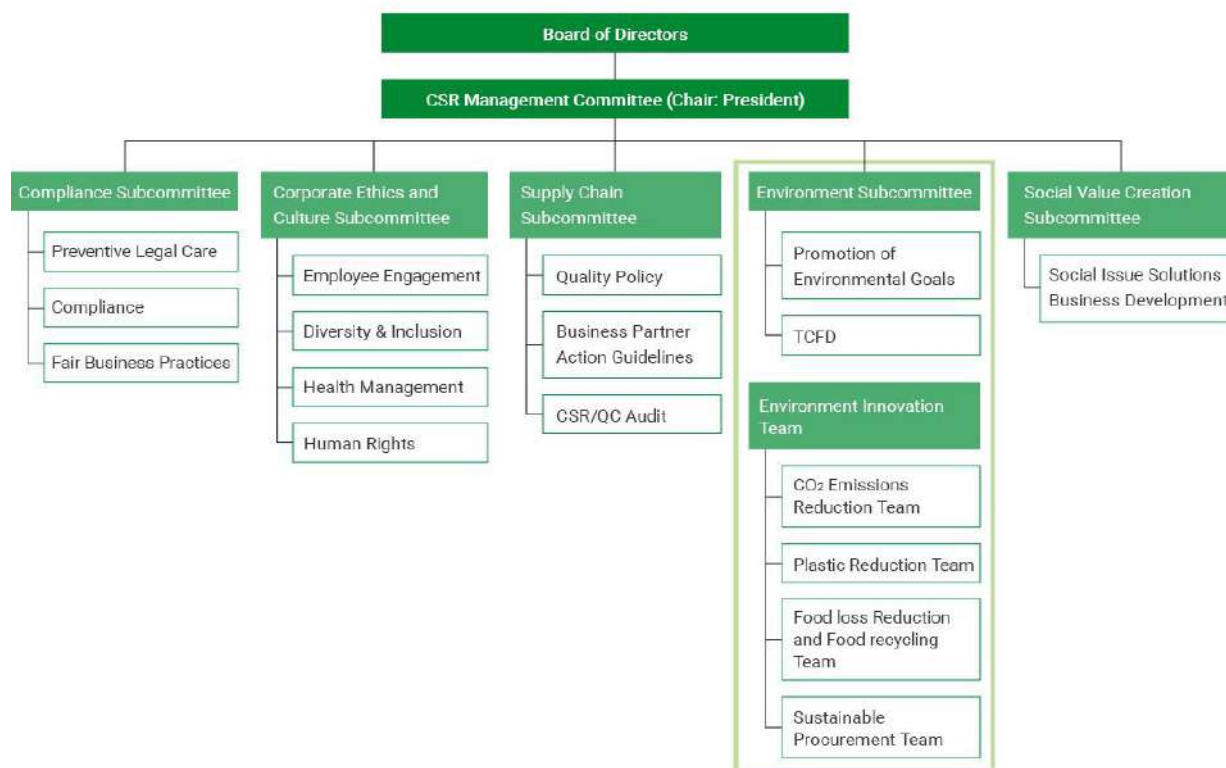
### Implementation System

Seven & i Group CSR Management Committee meets twice a year. The Committee, chaired by our company President, is attended by CSR managers from the Group companies as well as managers from divisions from Seven & I Holdings engaged in the work of sustainability. The CSR Management Committee has established an Environment Subcommittee as a subordinate organization to deal with climate change issues. It consists of managers from the environmental departments of the Group companies.

In addition, when we announced the environmental declaration “GREEN CHALLENGE 2050” in May 2019, we established the Environmental Innovation Team, the goal of which is to alleviate environmental load working from four different perspectives, including CO<sub>2</sub> emission reduction and plastic reduction strategies. This is a company-wide initiative. The CSR Management Committee receives reports on trends in indicators and on initiatives mainly for mitigation measures. The Committee approves measures implemented by the subcommittees and each Group company, and provides any necessary advice. Progress reports on these initiatives are submitted to the Board of Directors of Seven & i Holdings at least twice a year, at which time policies and initiatives are reviewed as necessary.

Organization of CSR Promotion Framework

As of March 2020



## Environmental Management System

With a view to boosting the effectiveness of Group-wide environmental management, the Seven & i Group is putting forth initiatives to acquire the ISO14001 international standard in environmental management. By way of regular internal audits, which include observation, assessment, and analysis, environmental management systems are evaluated with a view to ascertaining the efficiency of improvement initiatives. We also conduct reviews of management personnel in order to ensure smooth implementation of improvement initiatives. Additionally, Seven-Eleven Japan is taking steps to acquire the Ministry of the Environment's Eco Action 21 certification at dedicated factories, working together with the Nihon Delica Foods Association (NDF).

### ISO 14001 Acquisition

Seven & i Group strives to maximize the effectiveness of its environmental management strategies. To this end, we are moving ahead with steps to acquire the international-standard ISO 14001. Sogo & Seibu became the first in the department store sector to achieve ISO 14001 certification in 1999, and has successfully maintained it continuously at all business sites. Subsequently, Seven-Eleven Japan acquired certification at the end of February 2015 for its offices and directly-managed stores throughout Japan. Meanwhile, Seven & i Food Systems attained certification in February 2015 for its Head Office and some Denny's restaurants. All in all, the Group companies achieving certification are carrying out initiatives to reduce environmental footprint, working through the ISO 14001 certification framework. They also conduct annual environmental audits to ascertain both the appropriateness and effectiveness of the management system. The sales ratio of the operating companies that have obtained ISO 14001 certification is approximately 49% 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. A total of 93 factories affiliated with 25 companies that produce chilled food have achieved environmental management certification with a focus on Eco Action 21. Including manufacturers and factories that have launched initiatives to acquire certification, the total rises to 154 factories affiliated with 39 companies (as of the end of February 2021).

In recognition of our achievements in energy conservation by way of Eco Action 21, we were awarded the Energy Conservation Center Chairman's Prize (Energy Conservation Grand Prize) for FY2020, together with NDF.



Energy Conservation Center Chairman's Prize (Energy Conservation Grand Prize)  
for FY2020



Grand Prize trophy

## 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 Group has undergone third-party audits of CO<sub>2</sub> emissions from store operations. In 2020, audits of 15 companies<sup>\*1</sup> were conducted. The sales of the 15 companies covered about 98% of the Group's total sales. The CO<sub>2</sub> emissions from store operations of the 15 companies in the fiscal year ended February 28, 2021 were 111,752 tons for Scope 1, and 2,657,180 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 (9,604,855 tons) of the Scope 3 emissions, we improved the accuracy and reliability of the quantitative data internally and externally.

<sup>\*1</sup> The 15 companies are: Seven & i Holdings, Seven-Eleven Japan, 7-Eleven, Inc., Ito-Yokado, York-Benimaru, York, SHELL GARDEN, Life Foods, IY Foods, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Food Systems, Barneys Japan, and Seven Bank

<sup>\*2</sup> 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.

**GREENHOUSE GAS EMISSIONS VERIFICATION STATEMENT**

To: Seven & i Holdings Co., Ltd.

**Scope of Verification**

Seven & i Holdings Japan Co., Ltd. (Seven & i Holdings) was engaged by Bureau Veritas Japan Co., Ltd. (Bureau Veritas) to verify the greenhouse gas (GHG) emissions reported by Seven & i Holdings Japan Co., Ltd. (Seven & i Holdings) for the period from April 1, 2020 to March 31, 2021.

**1. Scope of Verification**

Seven & i Holdings Japan Co., Ltd. (Seven & i Holdings) was engaged by Bureau Veritas Japan Co., Ltd. (Bureau Veritas) to verify the greenhouse gas (GHG) emissions reported by Seven & i Holdings Japan Co., Ltd. (Seven & i Holdings) for the period from April 1, 2020 to March 31, 2021.

**2. Emission Data**

Company Name	Scope 1 Emissions (tCO <sub>2</sub> e)	Scope 2 Emissions (tCO <sub>2</sub> e)
Seven & i Holdings Japan Co., Ltd.	111,752	2,657,180
7-Eleven, Inc.	1,117	26,572
Ito-Yokado, Inc.	1,117	26,572
York-Benimaru, Inc.	1,117	26,572
York, Inc.	1,117	26,572
SHELL GARDEN, Inc.	1,117	26,572
Life Foods, Inc.	1,117	26,572
IY Foods, Inc.	1,117	26,572
Sogo & Seibu, Inc.	1,117	26,572
Akachan Honpo, Inc.	1,117	26,572
THE LOFT, Inc.	1,117	26,572
Seven & i Food Systems, Inc.	1,117	26,572
Barneys Japan, Inc.	1,117	26,572
Seven Bank, Inc.	1,117	26,572

**3. Verification Results**

Seven & i Holdings Japan Co., Ltd. (Seven & i Holdings) was engaged by Bureau Veritas Japan Co., Ltd. (Bureau Veritas) to verify the greenhouse gas (GHG) emissions reported by Seven & i Holdings Japan Co., Ltd. (Seven & i Holdings) for the period from April 1, 2020 to March 31, 2021.

**4. Conclusion**

Seven & i Holdings Japan Co., Ltd. (Seven & i Holdings) was engaged by Bureau Veritas Japan Co., Ltd. (Bureau Veritas) to verify the greenhouse gas (GHG) emissions reported by Seven & i Holdings Japan Co., Ltd. (Seven & i Holdings) for the period from April 1, 2020 to March 31, 2021.

Third-Party Verification Report

➤ [Third-Party Verification Report](#)

## Management of Water

At each store of 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 28, 2021, water usage in conjunction with store operation was 20,537,000 m<sup>3</sup>\*, a decrease of 13.0% compared to the fiscal year ended February 29, 2020.

Additionally, treatment of wastewater from store locations is similarly managed by each of the Group companies in an environmentally-friendly manner. By strictly observing national laws as well as the municipal laws and ordinances of the areas in which the stores are located, and by implementing appropriate wastewater treatment and purification for the specific region, we take the necessary steps to prevent contaminated water from flowing into ocean or river waters.

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

	FY 2017	FY 2018	FY2019	FY 2020
Water consumption (1,000m <sup>3</sup> )	24,551	24,809	23,606	20,537
Water consumption per million yen in sales (m <sup>3</sup> /million yen)	3.4	3.3	3.1	2.9

## Management of CFCs

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At 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 CO<sub>2</sub> refrigerants have been introduced on a trial basis at 275 stores, and we are also trialing them at 4 Ito-Yokado stores (as of the end of February 2021).

## 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

Seven & i Group recognizes that the issue of climate change exerts a negative impact on the stable society that is essential for the sustainable development of companies. We would like to contribute in achieving the greenhouse gas reduction targets set forth in the Paris Agreement. In the "GREEN CHALLENGE 2050" environmental declaration formulated in May 2019, we identified the decarbonized society as the ideal that we should be aiming for. We are promoting energy conservation and the expanded use of renewable energy, with the goal of reducing CO<sub>2</sub> emissions generated from store operations by 50% compared to FY2013 by 2030 and down to net-zero by 2050.



### Managing Climate Change Risks

Seven & i Holdings is affected by various risks related to climate change. These include regulatory risks from tighter regulations in Japan and overseas, physical risks from the occurrence of major disasters as well as changes in customers' purchasing pattern, due to the climate change or/and response to weather fluctuations. Furthermore, there are 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 the 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 developing 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, evaluate, and appropriately respond to risks associated with the Group and each business, it establishes, maintains, and utilizes its comprehensive risk management systems governed by Risk Management Committee, in accordance with its "Basic Rules for Risk Management." 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 CO<sub>2</sub> 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.

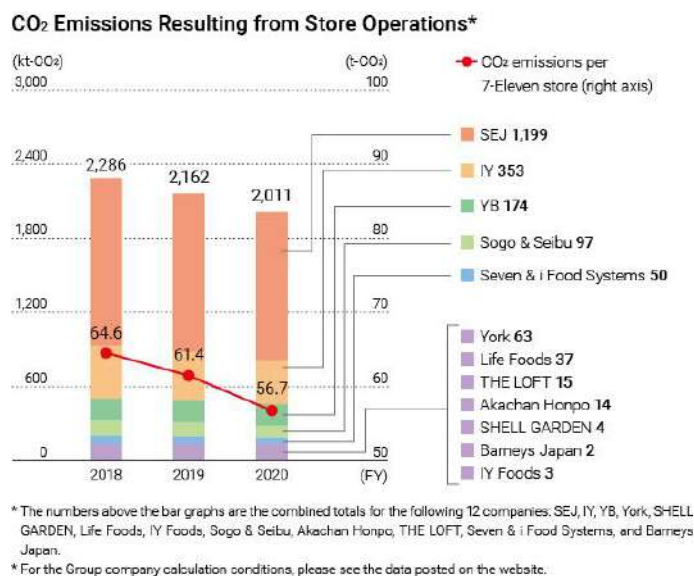
The "Seven Farm" environmental recycling-oriented agriculture initiative of Ito-Yokado buys the entire quantity of harvested produce, including imperfect shape/size items. This enables us to procure and sell vegetables steadily regardless of market trends. In this way, we are also addressing the aspect of stable product procurement. These Seven Farms are located in 12 places throughout Japan, covering approximately 250 ha in total. (As of February 28, 2021).

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 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 to net-zero by 2050 so that CO<sub>2</sub> emissions may not increase in conjunction with the expansion of business and increases in the number of stores.



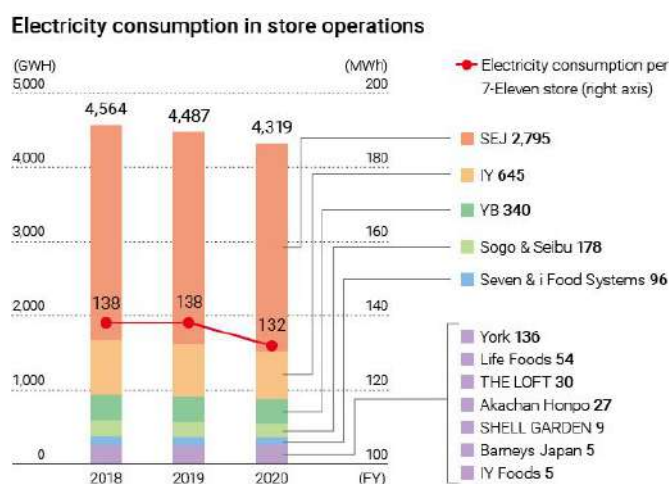
> [Details of CO<sub>2</sub> emissions amount data can be found here](#)

## Promoting the Introduction of Energy-Saving Equipment at Stores

To curtail the increase in environmental impact proportionate to the increase and enlargement of stores and the expansion of products and services, each Seven & i Group company is installing energy-saving equipment such as LED lighting and solar panels when opening new stores and refurbishing existing ones. Conserving energy at stores also leads to lower costs for energy use.

For example, at Seven-Eleven Japan stores, we are promoting environment-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 in installing solar panels, which are now in place at 8,681 stores (as of the end of February 2021).

Other chains are promoting the wider use of renewables too. As of the end of February 2021, Ito-Yokado had installed LED lighting at all of its 132 stores and solar panels at 13 stores, York had installed solar panels at 2 stores, and York-Benimaru had installed solar panels at 7 stores.



※The numbers above the bar graphs are the combined totals for the following 12 companies :Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, 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 Section of the website.





LED lights



Solar panels

#### Main investments in environmental equipment—cost and effect

FY	Environmental investment (million yen)	Environmental expenses (million yen)	Projected reduction in expenses (million yen)	CO2 reduction effect (Tons)
2020 <sup>※1</sup>	15,473	355	759	24,449
2019 <sup>※2</sup>	11,731	401	608	19,195

※1 Totals for 12 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Life Foods, York, SHELL GARDEN, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, THE LOFT, IY Foods, and Barneys Japan

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

#### Introduction of Large-Scale Solar Power Generation

As part of efforts to reduce CO<sub>2</sub> emissions from store operations based on Seven & i Group's "GREEN CHALLENGE 2050" environmental declaration, a large-scale solar panel generation system went into operation in July 2020 at Ito-Yokado's Ario Ichihara store. As an effective utilization of Ario Ichihara's space, solar panels were placed on the roof and are being used to generate some of the electricity consumed by the store. It is now possible to provide about 25% of the total electricity used by Ario Ichihara from the solar panels, as a result of which CO<sub>2</sub> emissions from electricity use can be reduced by about 25%. It is one of the largest generation systems of its kind at a commercial facility in Japan.



Large-scale solar panels at Ario Ichihara store



## Stores with Hydrogen Stations

Seven-Eleven Japan has signed a comprehensive agreement with Iwatani Corporation regarding the installation of hydrogen stations at 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 and Kariya City, Aichi Prefecture (as of the end of February 2021). The 7-Eleven stores with hydrogen stations have installed pure hydrogen fuel cells to examine the potential for the using hydrogen at retail stores. The aim is to build sites that can serve as community-based social infrastructure capable of supplying products, services, and clean energy at a single point.



The 7-Eleven store with a hydrogen station at Ikegami 8-chome, Ota-ku, Tokyo

## 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%<sup>※1</sup>, and work times relating to the subject equipment has been reduced by approx. 5.5 hours per day<sup>※2</sup>.

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.



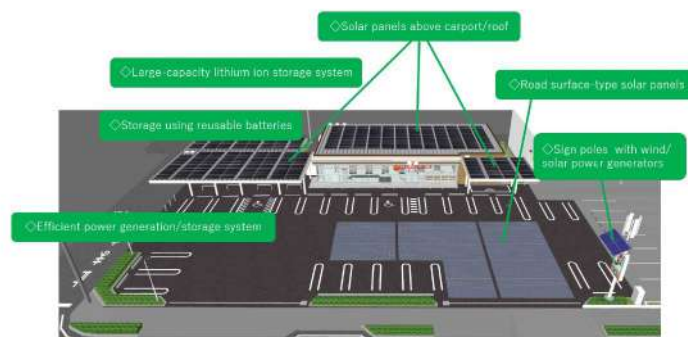
Chiyoda Nibancho 7-Eleven store



Sliding shelves

[Equipment/Store Exterior]

« Overview of Adopted Technology (Excerpt) »



1-Hashimotodai, Sagamihara 7-Eleven store

## Start of Energy-Saving Store Demonstration Test

Seven-Eleven Japan opened the Ome Shinmachi 7-Eleven store as a test store for energy saving using state-of-the-art equipment and technology. As part of our efforts to reduce CO<sub>2</sub> emissions from store operations based on the Group's "GREEN CHALLENGE 2050" environmental declaration, this store has introduced various energy-saving structures and equipment and energy-creation and -storage systems, including highly efficient solar panels and architecture with efficient air conditioning. Where possible, we will consider expanding facilities tested and verified at this store to our other stores throughout Japan.



※The store has introduced various energy-saving equipment, including revised LED lighting, changeover walk-in door specifications, an in-store positive-pressure system, improved performance of chilled-case air curtains, and auto clean filters for refrigerators and freezers.

Overview of introduced technologies at Ome Shinmachi 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 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.

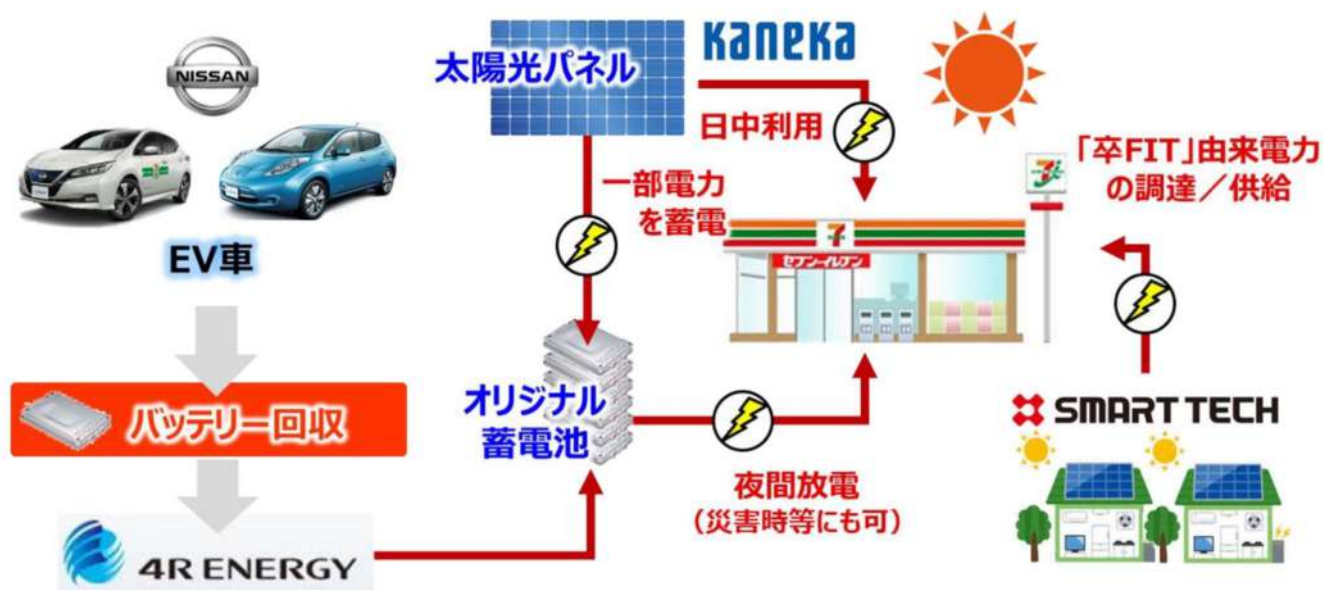
4R Energy Corporation's original batteries—which uses reused batteries from the Nissan LEAF electric vehicle produced by Nissan Motor Corporation—and solar panels with significantly improved electric power generation efficiency made by Kaneka Corporation are installed at stores undergoing the trial. 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<sup>※1</sup>, which allowed an actual renewable energy rate of 100%<sup>※2</sup> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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



## Introduction of Green Electricity in Some Stores, Including Japan's First Offsite PPA

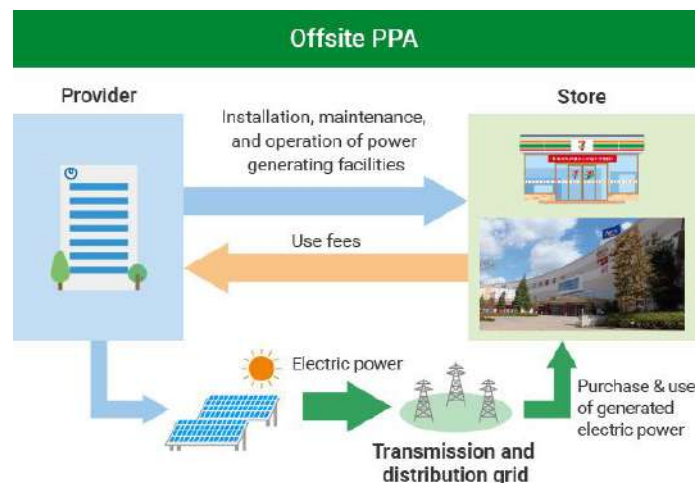
With the aim of realizing 100% renewable energy use in store operations of Seven & i Group, beginning in April 2021, Seven & i Holdings and NTT Corporation have been steadily introducing electricity procurement based on Japan's first<sup>※1</sup> offsite power purchase agreement (PPA; see diagram below) and electricity from NTT group-owned green power generation plants in some stores. The initiative means that 40 7-Eleven stores of Seven & i Group and the Ario Kameari store now use 100% renewable energy in store operations.

NTT Anode Energy Corporation has set up two solar power generation plants in the offsite PPA framework and engages in electricity supply<sup>※2</sup> via the transmission and distribution grid. In an offsite PPA, the project developer sets up an offsite renewable energy generation plant specially for the electricity consumer, be it a company, local government, or whatever, and provides the long-term supply of electricity via the grid. This was Japan's first offsite PPA. When the electricity from the PPA is insufficient, the rest comes from green electricity generation plants owned by the NTT group, so the electricity used in store operations is 100% renewable energy.

※1 Based on research by NTT Anode Energy Corporation through hearings with RTS Corporation, etc.

※2 ENNET Corporation, a subsidiary of NTT Anode Energy Corporation, is the agency providing this electricity supply.

### Offsite PPA Diagram



## Installation of Electric Vehicle Chargers

Seven & i Group has installed approximately 2,800 chargers for electric vehicles (EVs) and plug-in hybrid vehicles (PHVs) as of the end of February 2021 in parking lots at about 100 stores in Japan, including 7-Eleven, Ito-Yokado, Ario, Seibu, and Sogo department stores to provide a fee-based charging service. 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

Seven-Eleven Japan operation field counselors (OFCs), 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 28, 2021, it replaced 1,095 leased vehicles with hybrid models, bringing the total to 3,569 vehicles.



Example of leased vehicle

## 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 energy-efficient equipment and 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 the Group companies. In particular, we have been conducting training for our business partners since fiscal year ending 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 factories (94.4% participation rate<sup>※1</sup>) and 482 business partners took part.

In fiscal year ending February 28, 2021, these in-person briefings were suspended accompanying the global spread of COVID-19, and we began to distribute briefings and practicals on the Business Partner Sustainable Action Guidelines under the title “Aiming for Sustainable Development Alongside Our Business Partners” in an on-demand format to our business partners with manufacturing bases overseas (274 participants from 178 companies<sup>※2</sup>) from June 2020. From August 2020, it was possible to view these resources in five languages, including Chinese and four other Asian languages, while in October instructional video streams for CSR audits with Chinese narration were also distributed to business partners within China (79 participants from 66 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

※1 Percentage of factories participating in briefing sessions among those subject to CSR audits in fiscal year ending February 29, 2020 (overseas)

※2 Reference values taken from access logs for fiscal year ending February 28, 2021 online briefing sessions

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

### CSR Audits and Corrective Measures

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 factories 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 Certificate of Conformity. 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 factories 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 Certificate of Conformity is issued to the relevant business partner.

The issuance of a “Certificate of Conformity” 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 “Certificate of Conformity” 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 Factories

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 93 factories of 25 companies that produce daily products (as of the end of February 2021). In addition, 221 factories 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

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, the Group has 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 ending February 28, 2021 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, SHELL GARDEN, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Food Systems, and Seven Bank

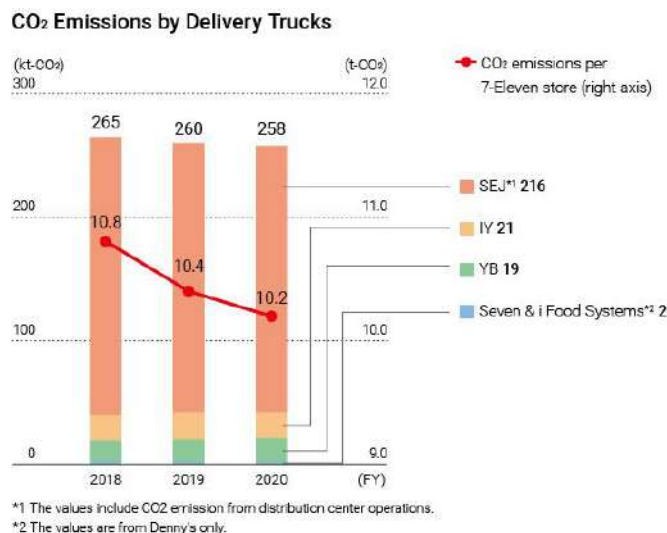
### Breakdown of Greenhouse Gas Emissions throughout the Supply Chain in the Fiscal Year Ending February 28, 2021 (Totals for 10 companies)

Categories	Composition ratio	
Scope1	0.4%	
Scope2	9.6%	
Scope3 Categories 1-15 (total)	90.0%	100.0%
Category 1 (Purchased goods and services)		85.4%
Category 2 (Capital goods)		3.7%
Category 3 (Fuel- and-energy-related activities not included in Scope 1 or 2)		1.8%
Category 4 (Upstream transportation and distribution)		1.6%
Category 5 (Waste generated in operations)		0.4%
Category 6 (Business travel)		0.0%
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)		0.3%
Category 12 (End of life treatment of sold products)		5.6%
Category 13 (Downstream leased assets)		0.7%
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.



## 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 6,244 delivery vehicles, 3,926 are eco-friendly vehicles (as of the end of February 2021).

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 factories 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. In April 2020, a new test was begun at Japan's first center with incorporated hydrogen station, and verification experiments are being carried out toward expanded introduction from the summer of 2021.

From July 2019, we introduced two EV trucks, which are demonstration vehicles developed by Isuzu Motors Ltd., and are making efforts to further reduce our CO<sub>2</sub> emissions.



A delivery vehicle which runs on biodiesel fuel



A small fuel cell truck



EV truck



EV truck

## Promoting Introduction of Eco-Friendly Tires

Seven-Eleven Japan is promoting the introduction of eco-friendly tires with low rolling resistance for delivery vehicles. As of the end of February 2021, we have installed ecofriendly tires on 6,244 delivery vehicles, representing approximately 99% of the total fleet.

Moreover, Seven-Eleven Japan has also introduced retread tires to 850 vehicles, as of the end of February 2021. 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.



Retread tires

## Introduction of Energy-Saving Equipment at Distribution Centers

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 the end of February 2021).

## Participation in Initiatives and Collaboration with External Organizations

Seven & i Holdings is actively supporting and participating in external organizations/initiatives both domestically and internationally such as the industry-government-academia collaborations and consortiums. We actively collect information on advanced technologies and know-hows on sustainability through initiatives, participate in regular/irregular seminars and study groups, as well as dispatch our information by discussions and presentations at symposiums/seminars/gatherings. By working to further reduce the environmental impact of the Group through collaborative and cooperative activities with suppliers and other stakeholders, we advance our efforts to realize our prosperous and sustainable society together.

Working together with our suppliers to reduce the environmental impact

Name	Status of Participation
Science Based Targets (SBT)	<a href="#">LINK</a>

Collaboration and joint research

Name	Status of Participation
Kyoto Beyond SDGs consortiums, Kyoto University	Member ( <a href="#">LINK: Japanese</a> )
Japan Clean Ocean Material Alliance (CLOMA)	Member ( <a href="#">LINK</a> )
Japan Hydrogen Association (JH2A)	Member ( <a href="#">LINK</a> )
Sustainable Future Society Creation Platform, Tokyo University	Member ( <a href="#">LINK: Japanese</a> )
Japan Climate Leaders Partnership (JCLP)	Member ( <a href="#">LINK</a> )



## 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.

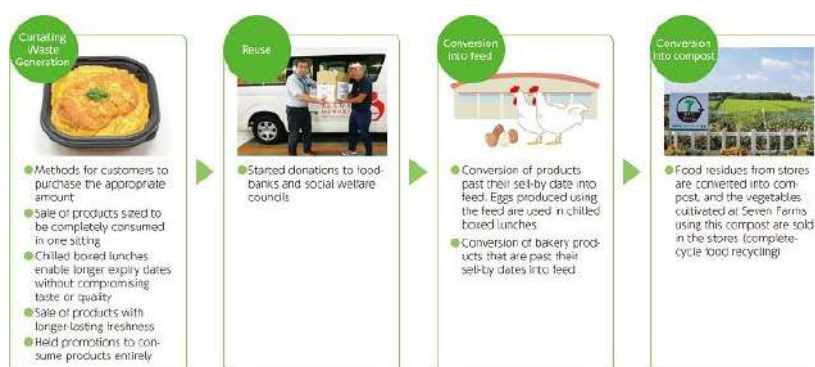
\*Amount generated per one million yen in sales



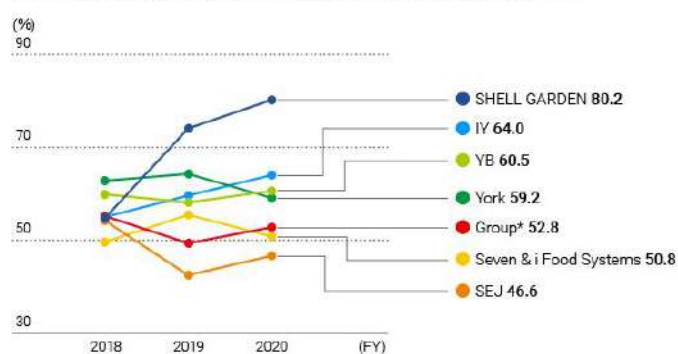
\*Covering six food-related operating companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, SHELL GARDEN, and Seven & i Food Systems.

### Our Approach to Reducing Food 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. Seven & i Group implements initiatives in order of priority at each stage.



Core Operating Companies' Organic Waste Recycling Rates



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

Amount of Food Waste Generation

	FY2018	FY2019	FY2020
Amount generated per million yen of sales (kg) ※	21.80kg	22.35kg	21.01kg

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

## Initiatives Across the Entire Supply Chain

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.

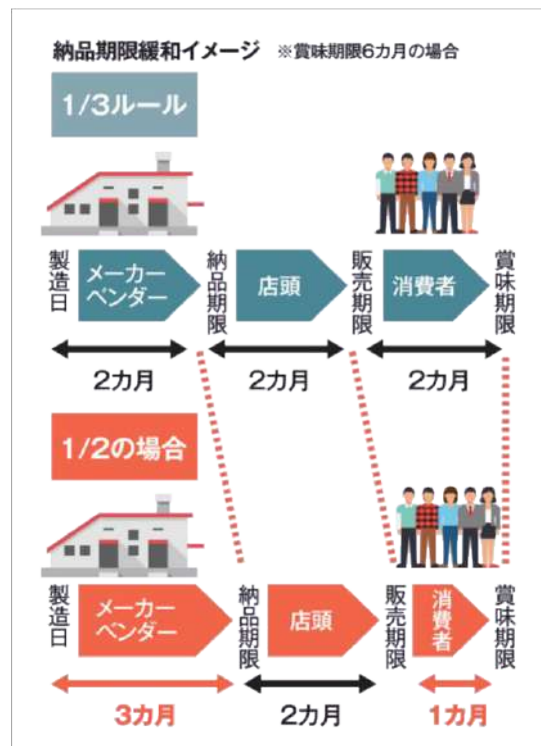


Image showing relaxed delivery deadlines

Received “Supply Chain Innovation Award 2020”

Seven-Eleven Japan is promoting efforts to reduce food loss and waste throughout the supply chain such as those for the mitigation of food waste by extending expiration dates through improvement of hygiene management levels at factories that manufacture original daily products as well as reducing inventory disposal costs at distribution centers and by granting nanaco points for products whose sales 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.

## Initiatives of Each Group Company to Reduce Food Loss and Waste

Each Seven & i Group company is implementing various innovations to reduce food waste in areas including sales methods and products. For example, Ito-Yokado and York (York Mart, York Foods, and York Price) have 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. In addition, 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.

Additionally, York-Benimaru and York are 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, Seven & i Group will continue to promote organic waste recycling.

Initiation of an “Ethical Project”

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

## Extending Expiration Dates of Original Daily Products

Seven-Eleven Japan has made technological innovations that take advantage of the excellence of the manufacturing factories. 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 the end of February 2021, about 84% of our original daily products have a sales deadline that is over 24 hours away.

## Donations to Food Banks

Ito-Yokado has been donating unexpired foods from some stores to food banks<sup>※</sup> since the fiscal year ending February 28, 2018, to a cumulative total of around 4 tons of donations (as of May 2021).

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 ending February 28, 2019, it concluded regional comprehensive collaboration agreements with municipalities and began making donations to social welfare organizations. As of the end of February 2021, it has concluded regional comprehensive collaboration agreements with 194 municipalities.

<sup>※</sup>Organizations engaged in the distribution, to those in need of support, of foods which, despite no quality concerns, could not be put to market or are surplus to households.

## Deployment of Eco Distribution

Seven-Eleven Japan has been promoting “Eco Distribution\*” since 1994 as a system for appropriate processing and recycling of organic waste. As part of this system, we are endeavoring to recycle products that have passed their sales deadlines into feed or compost, and in the fiscal year ending February 28, 2021, the combined recycling rate for products that had passed their sales deadline and discarded food oil was 46.6%.

<sup>※</sup>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.

## Circular Economy in Agricultural Initiatives

### Establishment of Seven Farm

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 “Circular economy in agriculture.” “Circular economy in agriculture” is an initiative for composting food residues (garbage) generated by Ito-Yokado stores and using it as fertilizer 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 the end of February 2021, 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 11 Seven Farm locations (as of the end of February 2021) have acquired JGAP certification.



Seven Farms



Seven Farms' Circular Economy Model

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

## On-site Processing (Garbage Processors) Initiatives

Ito-Yokado introduced a “biodegradable garbage processor” system that breaks down organic waste using microorganisms in October of 2011 and has installed on the sites of 58 stores as of the end of February 2021. Through the power of microorganisms, the devices break down into water and CO<sub>2</sub> garbage that is ill-suited to recycling (such as highly fibrous substances, etc.). This process results in reduced CO<sub>2</sub> emissions compared to incineration processing, and it offers an effective reduction of waste volumes.

Seven-Eleven Japan also started operations tests of biodegradable garbage processors in 2013. The on-site organic waste treatment eliminates the need for delivery to local municipal treatment centers and contributes to the reduction of CO<sub>2</sub> emissions generated during delivery and incineration. As of the end of February 2021, we had introduced and begun operating these at a total of 18 stores in Tokyo and Nagano Prefecture on a trial basis.



Biodegradable garbage processors (Ito-Yokado)



Biodegradable garbage processors (Seven-Eleven Japan)

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

In light of the fact that approximately half of food waste is generated by homes, the Seven & i Group is conducting educational activities to reduce food waste at home. We conducted a food drive in which customers could bring their extra food to participating Ito-Yokado, York, and Sogo and Seibu stores and have it be donated to food banks.

From June 2020, Ito Yokado successively expanded the number of stores with a permanent food drive collection box to 31 (as of June 2021), and have collected a cumulative total of around 9.4 tons (as of May 2021) of food. The foods collected at each store are centralized at distribution centers with the cooperation of contracted logistics companies, and then delivered to food canteens for children and persons in need of support through food banks. In addition, we implemented a food drive to raise employee awareness at venues including the Head Office of each Seven & i Group company and selected district offices of Seven Eleven Japan.

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 2021, 13 local municipals nationwide have registered as stores that promote food waste reduction, such as stores that encourage customers to finish their meals. 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 loss and waste reduction.

For introducing its mottECO program to reduce food waste, Seven & i Food Systems has been selected by the Ministry of the Environment as a “FY2021 Model Business for Reduction of Food Waste and Promotion of Recycling by Local Governments and Businesses.” Under this program, restaurant customers unable to finish their food can request 100% plant-derived containers in which to take home the leftover portion. By having customers assume the responsibility for taking home these leftovers on their own, this campaign is raising awareness of reducing food waste and promoting a “culture of taking home leftovers as one’s own responsibility.”

During Food Waste Reduction Month in October 2020, York created booklets compiling ideas to reduce food waste which can easily be practiced in the daily lives of customers, distributing these at all stores. In addition, York introduced eco menus and ideas at stores where kitchen support is available.



mottECO poster



Introduction of eco menus (York)

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

### Effective Use of Resources

In response to such trends as the sharp increase in the world's population and its continued urbanization along with the rapid economic growth of emerging and developing nations, the depletion of natural resources essential for living has become an issue. Seven & i Group 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.



### Collection of Recyclable Resource at Stores

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."

### 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 Group logistics routes, more efficient transportation is possible and the volume of CO2 emissions resulting from the operations can be reduced.

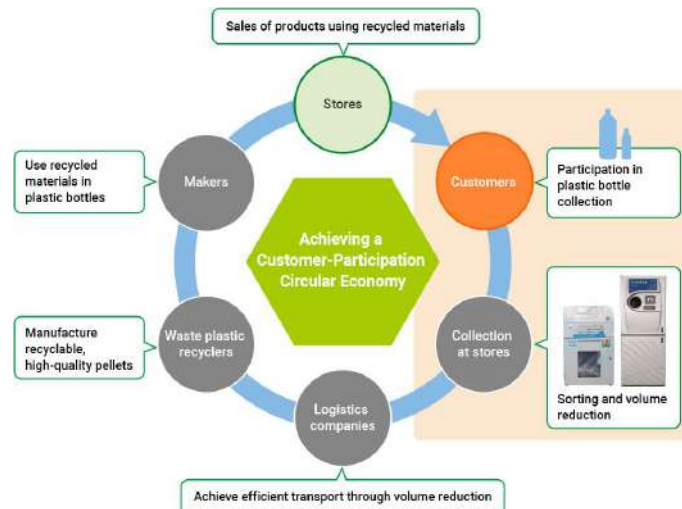
The collected PET bottles are made into new PET bottles for the domestic market. This "closed-loop recycling" system of recycling PET bottles into new PET bottles is the first attempt by a major retail chain in Japan to be implemented on such a large scale.

As of the end of February 2021, 1,001 reverse vending machines have been installed in stores across the four companies, and approximately 8,700 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 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 PET bottle reverse vending machines to promote bottle-to-bottle recycling at all 7-Eleven stores in Higashiyamato City. Moreover, in September 2019, the installation of PET bottle reverse vending machines began at stores in Okinawa Prefecture, and in January 2020, installation began in Yokohama City, making it the first among ordinance-designated cities. As of the end of February 2021, PET bottle reverse vending machines have been installed at some stores in Tokyo, Saitama, Kanagawa, Ibaraki, and Okinawa Prefectures, and there are plans for expansion going forward.



## PET Bottle Recycling System Using Reverse Vending Machines



Small-sized reverse vending machine system for convenience stores

	FY2018	FY2019	FY2020
Amount recovered (tons)	8,900	9,740	8,700
Number installed (Units)	759	820	1,001

Number of PET bottle reverse vending machines installed and amount recovered

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

In June 2019, 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.※

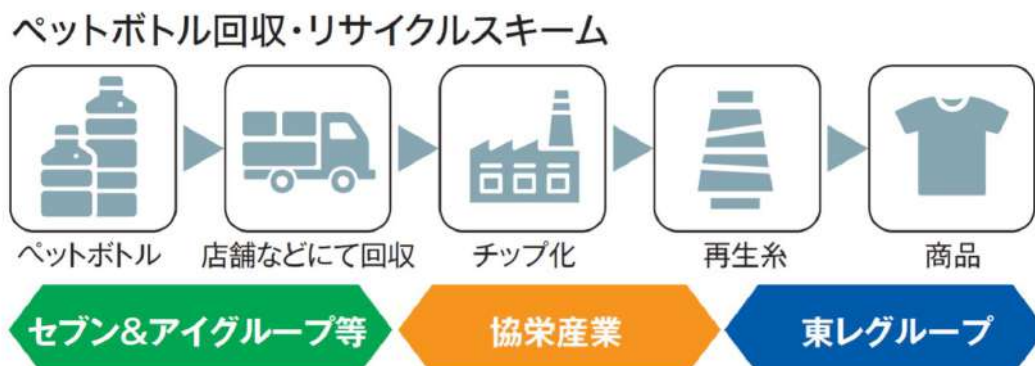
※As of June 5, 2019. Study by Coca-Cola Japan and Seven & i Holdings.

## Using Recycled PET Material for Clothing

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 the Group stores and uses recycled yarn made from the PET bottles, went on sale at Ito-Yokado, York-Benimaru, and Sogo & Seibu stores nationwide.

As of February 2021, Ito-Yokado carries approximately 250 clothing items that use these recycled materials, accounting for about 12% of the sales mix for Ito-Yokado’s underwear category. We plan to continue developing products that use recycled PET bottle materials moving forward.

## PET Bottle Recycling Scheme



## Reducing the Use of Disposable Plastic Bags

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 21,000 stores nationwide use plastic shopping bags containing 30% plant-derived biomass polyethylene to further reduce usage fees for petroleum-derived plastics. As plastic shopping bags started to cost money in July 2020, the turn-down rate across the entire Group has climbed to just under 80%, and the turn-down rate at Seven-Eleven Japan, which was about 30% before the charge was applied, has grown to be about 75% (as of the end of February 2021), leading to an 8,000-ton reduction in the use of plastic (amount reduced from the July 2020 start of charging to February 2021). Moreover, the “amount equivalent to Head Office revenue” from the charge of plastic shopping bags is being used widely for future generations and funding cleanup activities, such as the cost of installing PET bottle reverse vending machines at 7-Eleven stores, which has been done as an initiative to reduce our negative environmental impact, and partial donations to the Seven-Eleven Foundation.

## 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.



Shipping work at a distribution center



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.





### 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,” 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 some other stores, 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. (Plastic reduction in the fiscal year ending February 28, 2021: about 203 tons\*1) Moreover, aside from initiatives for product containers, we reduced the amount of oil-based plastic by about 12% compared to conventional materials through our original manufacturing process and the addition of biomass resin to some of the plastic promotional display items in 7-Eleven stores.

※Compared to the weight of plastic used in the lids on containers of the Cup Deli in the fiscal year ending February 28, 2019



“Cup Deli” products with top-seal lids



Example of display items with reduced oil-based plastic

### 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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions of approximately 250 tons per year, the equivalent of the CO<sub>2</sub> 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 also uses 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

## Adopting "Rice Ink" for Package Printing

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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions by approximately 108 tons.



Product packaging made from plant-derived raw 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, there was a reduction of about 406 tons of plastic in the fiscal year ending February 28, 2021 when compared to conventional containers that use plastic, and the target for the fiscal year ending February 28, 2022 is a reduction in plastic of about 800 tons. In addition, by combining paper material for the parts of sandwich packaging that had used film material, we reduced our use of plastic by about 40%.



Paper container for chilled boxed lunches



Packaging that combines paper material within the red frames

## 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

➤ [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 ending February 28, 2021, the introduction of recycled trays reduced annual CO<sub>2</sub> emissions by approximately 2,500 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 the 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

Seven & i Group is utilizing the characteristics of the retail business, which is used by approximately 22.4 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

Seven & i Group is committed to environmental activities that take advantage of the distinct ability of the retail business to interact directly with many customers. In March and July of 2021, we conducted “light-down” campaigns in which some of the Group stores turned off their signboard lights as a means of thinking about the global environment along with our customers. About 7,500 Group stores took part in this.

For Environment Month in June 2021, as a donation effort to reduce food loss and waste, a “food drive” was conducted to generate donations by collecting food no longer needed at homes in the area at some Ito-Yokado and Sogo & Seibu stores. Many customers participated, and the collected food was donated to various organizations. At some Ito-Yokado stores, permanent food drive spaces have been set up where these activities are continued throughout the year.

Moreover, in consideration of the COVID-19 pandemic, we are also engaged in awareness-raising activities via the Internet and social media as complementary to efforts at stores. As an example, we started releasing “Kenja no Recipe (Recipe of the Wise)” in March 2021 with the aim of reducing food waste. On this special website, we deliver food waste-cutting recipes with the theme that through eating ingredients used “carefully, attentively, wisely, and without waste,” happiness extends to all of the growers of the food, cooks of the food, and diners of the food.

### 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 NGOs in and outside of Japan, as well as WWF Japan, environmental and wildlife preservation group. 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\*1 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\*2 is the funding of NPOs and civic groups conducting regional environmental activities. The foundation has been calling for applications each year since 2001, with the goal of seeing regional donations used to support regional environmental activities. Over the past 20 years in total, the foundation has provided ¥2,423,190,106 in funding for 4,078 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 (UNDB-J). 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 metropolitan government. 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 28, 2021 amounted to ¥420,596,964. The total amount of storefront donations collected since the fiscal year ended February 28, 1995 is ¥8,356,449,175.

\*2 Assistance for environmental NPOs through public support in the fiscal year ended February 28, 2021 (including recipients of ongoing support): 269 support projects; ¥111,063,824 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](#) 

## Employee Environmental Education

In order to raise the environmental awareness of employees, Seven & i Group regularly holds training, events, and more with the aim of instilling basic knowledge and facilitating understanding of environmental matters in line with the characteristics of each of their businesses.

### Conducting Group-Wide e-Learning

In response to the “GREEN CHALLENGE 2050” environmental declaration announced in May 2019, Seven & i Group has conducted Group-wide e-learning every year since fiscal year ended February 29, 2020. For fiscal year ended February 28, 2021, it focused on the revisions to the targets in the “GREEN CHALLENGE 2050” environmental declaration and social developments related to climate change, and was conducted for all Seven & i Group employees in Japan.

### Encouraging Group Employees to Take the Eco Test

Since the fiscal year ended February 28, 2015, Seven & i 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. Each group company supports test takers by subsidizing test fees, holding study sessions, and so forth. In the fiscal year ended February 28, 2021, 462 employees passed the test (cumulative total of 10,063 people passing the test).



## Holding Environmental Events to Raise Awareness Among Employees

Seven & i Group holds internal environmental events to provide opportunities to raise environmental awareness of employees. For example, the Group employees participate alongside 7-Eleven franchisees in volunteer activities organized by the Seven-Eleven Foundation. Major activities include such conservation efforts as forest care operations ranging from tree planting to tree thinning and undergrowth cutting at “Seven Forests” in 16 locations throughout Japan; and 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. In the fiscal year ended February 28, 2021, a total of 171 people took part in such events, including personnel from Seven-Eleven Japan franchised stores and Head Office employees as well as the Group employees. (For the fiscal year ended February 28, 2021, these activities were held with a limited number of participants in order to prevent the spread of COVID-19.) Starting in 2006, the number of participants so far totals 13,307.

Additionally, we are engaged in various activities to raise employee awareness particularly in June, which has been designated as Environment Month, and October, which has been designated as Food Waste Reduction Month. In the fiscal year ended February 28, 2021, we provided employees with opportunities to think about the environment as a personal issue by conducting such efforts as a food drive where customers could bring food they did not use at home and donate it to a food bank, the collection of empty disposable contact lens cases as a measure to address plastic waste, and a light-down campaign at the Group stores.

➤ [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

Seven & i Group has close to 135,000 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.

- Relevant policy

[Seven & i Holdings Corporate Action Guidelines](#) >

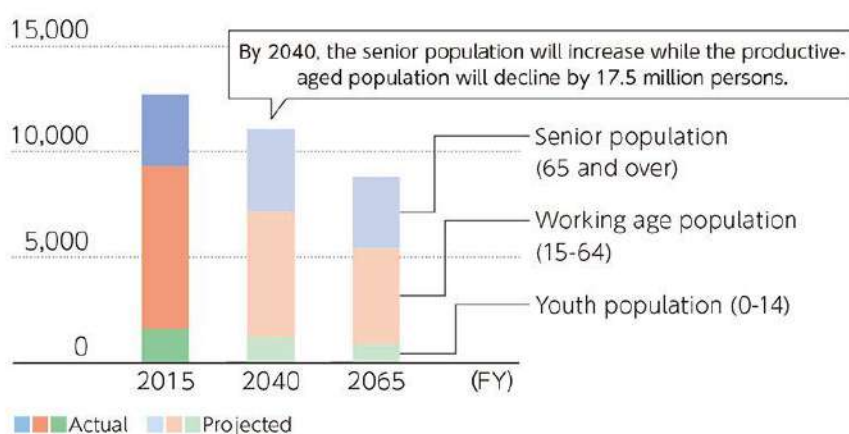
### Background to Material Issue

#### 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)



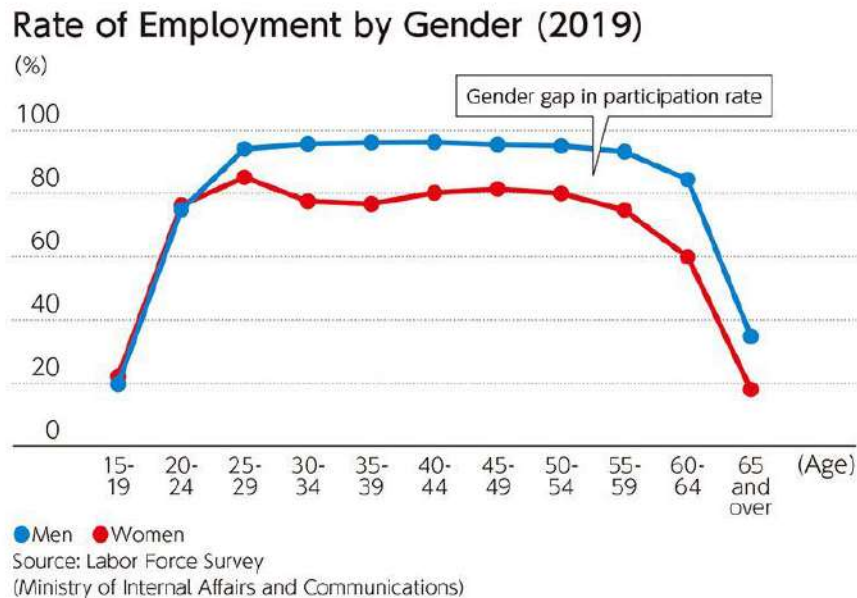
■ Actual ■ Projected

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.

### 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.

### Support for Enhancing the Abilities of 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.

### 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.

### 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.

### Employee Engagement Survey >

We conduct an Employee Engagement Survey in order to create a workplace that motivates employees to work.

### 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.

### Support for Childcare >

We offer various types of assistance related to childcare through our stores and establishments.

## Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

### Diversity and Inclusion

Seven & i Group has approximately 135,000 employees working throughout the Group. Our workplace includes employees working short hours due to childcare and family care responsibilities, part-time employees and non-Japanese employees. Seven & i Holdings supports the activities of this diverse workforce and strive to build workplace environments that enable employees to work with satisfaction. We also recognize that such an approach leads to the improvement of productivity and securing human resources and in turn to the improvement of customer satisfaction and generation of innovation, which are the wellspring of our competitiveness.



### Targets and Steps for Promoting Diversity and Inclusion

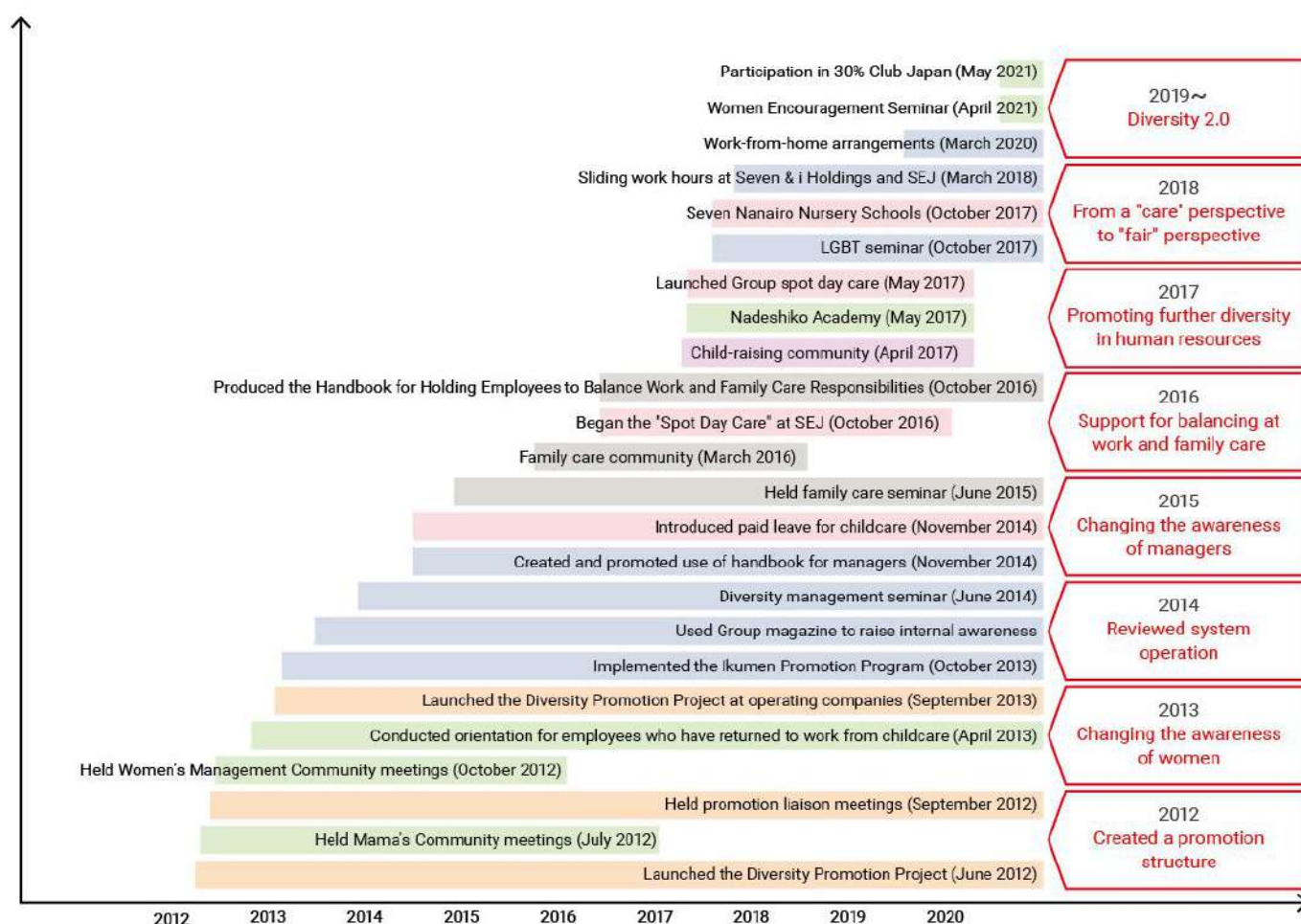
To promote diversity and inclusion, Seven & i Holdings established the Diversity Promotion Project in 2012 and set five targets, including for the ratio of female managers. We have been conducting our initiatives in accordance with decided themes. Thus, after establishing the promotion structure in FY2012, in FY2013 we implemented measures for raising awareness among women themselves and revised the operation of the system; in FY2014 we set about raising the awareness of management-level employees; since FY2015 we have been supporting the balancing of work and family care responsibilities, since FY2017 we have been promoting understanding of LGBT issues, and since FY2019 we have been promoting Diversity 2.0. To strengthen our diversity and inclusion activities, and especially initiatives relating to the promotion of the activities of women, in May 2021 we joined the 30% Club Japan and set a new target of raising the ratio of female executive officers to 30% by the end of February 2026. 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

1. Ratio of female executive officers: Raise to 30% (by the end of February 2026) ※1  
Ratio of female managers: Raise to 30% (by the end of February 2022) ※2
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

※1 Totals are for six companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, Sogo & Seibu

※2 Totals are for eight companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, Seven Bank



## System to Promote Diversity and Inclusion

Based on the commitment of its top level members, Seven & i Holdings established the 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 organizations for diversity have also been established 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 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 expanding 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 (in Japanese)

➤ [Seven & i Holdings](#)

➤ [Seven-Eleven Japan Co., Ltd.](#)

➤ [Ito-Yokado Co., Ltd.](#)

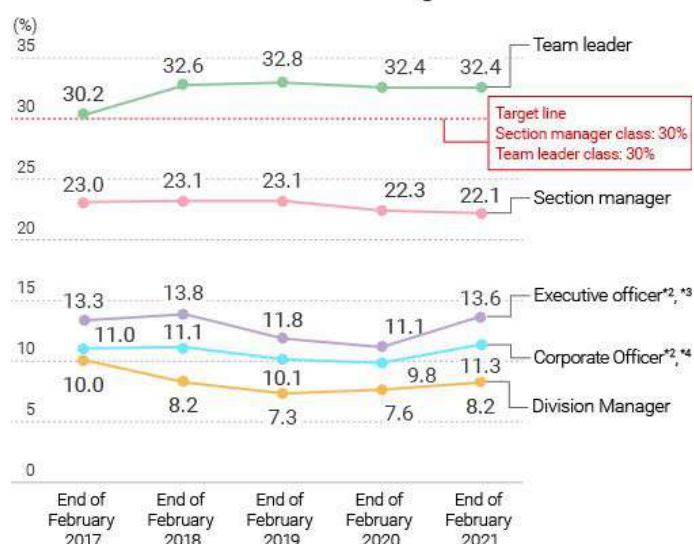
➤ [Sogo & Seibu Co., Ltd.](#)



## Changes in the Ratio of Female Managers

Seven & i Group is 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 2021, the ratio of female managers has increased to 32.4 % for team leaders and 22.1% 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 the Group companies and encouraging them to share career plans with supervisors during individual meetings.

### Trends in the Ratio of Female Managers



\*1 Total for eight Group companies: Seven & i Holdings, SEJ, IY, YB, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, Seven Bank

\*2 Total percentage of female officers at six Group companies (Seven & i Holdings, SEJ, IY, YB, York, Sogo & Seibu) as of May 31

\*3 Excluding directors who are executive officers

\*4 Corporate Officer is the total of directors, auditors, and executive officers

➤ [More details on the ratio of female managers in each Group company \(Data Section\) can be found here](#)

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

Seven & i 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.

### Career Development Support for Women

Seven & i Holdings continues to undertake initiatives that support women's career development as part of positive action. As a recent initiative, in 2021 we launched the Female Encouragement Seminar to provide Group-wide training aimed at fostering female manager candidates. Female employees from 19 Group companies take part in the seminar, listening to talks by the president and other members of management on such topics as the Group's management policy and philosophy, product strategy, and efforts to achieve the Sustainable Development Goals, and engaging in discussions. Since the seminar is implemented online, women from around Japan can take part, and women working shorter hours due to parenting can participate too. The seminar is an opportunity to let women hear lectures from a perspective and position differing from their everyday work and to raise their interest in management. In addition, the discussions among employees with diverse academic and career backgrounds and jobs serve to increase motivation. Participants have frequently made such comments as "I was encouraged by the comments of women working in the same Group" and "It was stimulating."



Female Encouragement Seminar

### Training and Awareness-raising for Management

Seven & i Holdings has held the Diversity Management Seminars 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 21 times as of the end of February 2021, 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, improving work style, and leadership. They provide the opportunity for managers to think about diversity from a number of different perspectives. In 2020, training was started toward the eradication of unconscious bias.

In addition, the Group companies are promoting understanding among managers of the significance of diversity management and support for the balancing of work with childcare and family care responsibilities to further train managers to make good use of their diverse human resources to generate results.

For example, 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, such as the significance of diversity management, knowledge of LGBT and understanding of programs for supporting work-life balance. In its level-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 programs for supporting balance between childcare and family care with work, and the evaluation of employees in the short working hours program. In fiscal year ending February 28, 2021, 217 executives participated in this training, including the online sessions.

### Awareness-raising of LGBT Rights

Seven & i Holdings revised the Corporate Action Guidelines in 2016 and began implementing measures outlined in the “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 the end of May 2021, a total of 567 employees from 17 Group companies have attended these seminars. In fiscal year ending February 28, 2022, we posted videos of the LGBT seminars and a leaflet outline basic knowledge necessary for stores on our website so that all Group employees can view them and as many as possible can acquire basic knowledge about LGBT rights.

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

Seven & i Group companies has a system for rehiring employees after mandatory retirement, providing an opportunity for experienced workers 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 Part-timer System was implemented to allow part-time employees to work until age 65 as well. As of the end of February 2021, 7,394 senior part-timers were active in the Group. The system was expanded in May 2017 to enable people to continue working up to the age of 70. Furthermore, as of the end of February 2021, 1,057 non-Japanese employees were working in the Group.

Amid the low birthrate, aging of society, and shrinking working-age population, Seven-Eleven Japan is creating employment opportunities for seniors who want to work. For seniors recruited by stores, including franchised stores, head office instructors give careful and considerate explanations of how to handle equipment and deal with customers to allay their fears about operating the cash registers.

The ratio of employees with non-Japanese nationality working at stores, including franchised stores, is also increasing. As of the end of February 2021, the national average was approximately 9.5%, and the number of non-Japanese staff was about 39,000. In September 2020 we started so-called Hospitality Training, providing lectures to foreign students and other non-Japanese employees on the basics of Japanese culture and customer response. So far about 180 employees have received this training.



Job Seminar for Seniors



Hospitality Training

## 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, each Group company consults 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 recruitment and training personnel of the Group companies understand disabilities and that they considerate to employees with disabilities.

## Promotion of the Employment of People with Severe Disabilities

In 1994, Terube, Ltd. was established with joint funding of five companies (Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, and Seven & i Food Systems) and the city of Kitami in Hokkaido. Terube is a special subsidiary founded to promote the employment of people with severe disabilities. As of June 1, 2021, Terube employed 22 people with disabilities, and the Group's employment rate of people with disabilities※, including Terube, was 2.95%.

The goal for the fiscal year ending February 28, 2022 is 2.95%. In recognition of its efforts in the 23 years since its founding to practice normalization with the aim of creating workplace environments amenable to people with disabilities, Terube became the commemorative first company to be certified as the Employer Promoting the Active Roles of Persons with Disabilities in 2017, the first year that certifications were issued by the Japan Association of Employers of Persons with Disabilities.

※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.

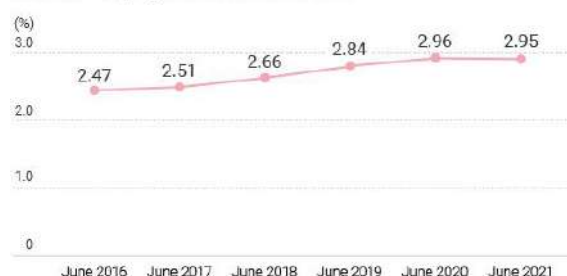


Special subsidiary, Terube Ltd.



Certification No.1 : Employer Promoting the Active Roles of Persons with Disabilities 2017

### 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), SEJ, IY, 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.





## 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 90 employees certified as “Employment Counselor for People with Disabilities” and 13 employees certified as “Job Coaches (in-house workplace adjustment supporters)” as of the end of February 2021.

## External Recognition

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.

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 28, 2021). In addition, in September 2020, Seven-Eleven Japan obtained second rank in the “L-Boshi” Designation.



3 stars (the highest level)



2 stars

“L-boshi” certification

## Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

### Achieving Work-Life Balance

Seven & i Group 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 curb long working hours and encourage the use of paid leave.



### Enhancing Systems for Diverse Workstyles

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, 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	—



## Childcare Support for Employees

Seven & i Group implements various initiatives to provide childcare support to the Group employees.

### Operation of Seven Nanairo Nursery Schools

Since October 2017, Seven-Eleven Japan has been operating on-site Seven Nanairo Nursery Schools for the owners and employees of 7-Eleven stores, local residents, and employees of Seven-Eleven Japan. A total of six facilities have been opened in Tokyo (Ota-ku, Setagaya-ku, and Machida), Sendai, Kyoto, and Hiroshima to provide work-friendly environments.



Seven Nanairo Nursery School

### Introduction of Daycare Facilities in Stores

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.

### Return-to-Work Support after Childcare Leave

Seven & i Group companies provide guidance to employees returning to work after taking childcare leave and implement community activities aimed at building networks and allaying the anxieties of child-raising and pregnant employees.

### Exchange Meetings for Mothers

York holds orientations for employees returning to work after taking childcare leave four times a year. In the fiscal year ended February 28, 2021, these orientations were cancelled to prevent the spread of COVID-19 infections, and instead individual communication to child-raising employees was implemented in May 2020 and January 2021. In addition, York sends in-house information to employees taking childcare leave by post every two months and also conducts status reports. York plans to open an SNS site for employees returning to work after taking childcare leave in the fiscal year ending February 28, 2022.

### Promotion of Participation in Housework and Childcare by Men

To promote greater participation by men in childcare, Seven & i Group established an original childcare leave program for male employees in 2014. This program enables employees with preschool-age children to take five special vacation days per year in one-day increments. 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, to attend a kindergarten entrance or graduation ceremony, or to participate in sportsdays or other events. In the fiscal year ended February 28, 2021, 926 male employees of Seven & i Group as a whole took this childcare leave.

As a Group-wide initiative, we have implemented the Ikumen (child-raising men) Promotion Program since 2013 with the aim of encouraging men to participate in housework and childcare. In addition, we display posters and conduct educational activities in meetings and through in-house newsletters to promote the acquisition of childcare leave by men.

## External Evaluation Related to Childcare Support

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 28, 2021).



Kurumin Marks

## Support for Balancing Work with Nursing Care

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. So going forward, this is likely to become a major issue. Therefore, Seven & i Group regularly holds family care seminars with external experts to offer prior preparation for handling such responsibilities. In the fiscal year ended February 28, 2021, there were 135 employees of the Group companies participated in these seminars.

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 the Group operating companies, informing the employees of consultation desks, and posting cases of employees balancing work with nursing care on our company newsletter.

As a 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 its employees. Going forward, Seven-Eleven Japan will continue to carry out awareness-raising activities so that it can build a system that balances work with nursing care where employees properly understand knowledge about such balance.

## Work-from-Home Arrangement

Centering on head offices, Seven & i Group companies have implemented telecommuting systems to make effective use of time spent going to and coming back from work with the aims of improving productivity, and achieving a work-life balance, and, since the fiscal year ended February 28, 2021, preventing the spread of COVID-19 infections and maintaining business continuity amid the pandemic.

## Curbing Long Working Hours Through the Utilization of Diverse Workstyles

Seven & i Group believes it is important to establish proper work environments to create comfortable workplaces. We work to curb long working hours and raise the percentage of paid leave taken. Specifically, as well as promoting the visualization of overtime work, Group companies promote the review of operations at departments with a lot of overtime work and work allocation and endeavor to foster a corporate culture of seeking to improve the work environment through the implementation of no overtime work days, display of posters, and other measures. Furthermore, the Group has set a target of achieving at least 70% for the percentage of annual paid leave taken. Group companies are taking steps to promote the acquisition of leave, such as by encouraging employees to take long periods of leave twice a year and visualizing leave acquisition plans.

### Introduction of Staggered Working Hours

Seven & i Holdings, Seven-Eleven Japan, Seven Bank, and other Group companies have introduced staggered working-hour systems enabling employees to choose their working hours. The aim is to realize environments in which individuals can select their workstyles to suit their jobs and individual circumstances and work flexibly. Companies are seeking to promote more active and efficient workstyles by bringing forward or delaying start and finish times. Furthermore, to prevent the spread of COVID-19 infections, Group companies have expanded the options for start and finish times so that employees can avoid commuting during the crowded rush hour since FY2020. Seven-Eleven Japan has achieved utilization results of over 80% for its administrative staff department in particular. This initiative is leading to enhanced private time for employees and reduced commuting burdens too.

### 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.

## Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

### Support for Enhancing the Abilities of Employees

Seven & i Group believes that human resources are the wellspring for enhancing corporate value and that human resources capable of thinking and acting for themselves are essential for further growth. The Group constantly places importance on human resources, such as the training and education of employees, on the basis of our Corporate Creed of “Trust and Sincerity,” which was our founding philosophy, and the Group companies conduct human resources development to match their respective business characteristics.



### Human Resource Policy Linked to Management Strategy

Based on the Medium-Term Management Plan announced in July 2021, Seven & i Group aims to build an organization in which both companies and employees can grow together and to build workplaces that are pleasant for everyone. We seek to enhance job satisfaction through such initiatives as skill development and support for autonomous learning for each employee and to build workplaces in which employees really can feel satisfied through workstyle reform, productivity improvement, the promotion of diversity and inclusion, and so on.

### Establishment and Refinement of Training Systems

Seven & i Group engages in human resources development through training systems refined by the 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.

#### Strengthening of Setup Centering on Human Resources Development Department

To respond to the diversification of values in society and the economy and digital transformation (DX), and to promote human resource policy as an axle alongside management strategy, in August 2020 Seven & i Holdings split the educational function from the Personnel Planning Department and newly established an independent body, the Human Resources Development Department, to promote skill development and human resource development in the Group. We are making efforts to improve the human resource development setup to support the skill development and autonomous learning of individual employees, the standard bearers of value creation.

## Implementation of Job-Oriented Training

Ito-Yokado holds new employee training for all employees, including part-time employees, to teach company policies, retail fundamentals, and skills and knowledge required for work. Furthermore, training leading to on-the-job training at stores is continuously held to provide basic knowledge of products handled by affiliated section 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 held for everyone from new recruits 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. Advance training is also implemented to encourage employees to keep on learning and to improve their skills in preparation for their next positions.



Employees in training

### IY Training System

Position	Training content	
Part-time employee	Training for new employees	• Fundamentals of the Company, fundamentals of sales
	Fresh food preparation training	• Food safety and acquisition of fundamental preparation techniques
New employees	Training for new employees	• Fundamentals of the Company, fundamental of sales, employee attitudes
	Cash register & service training	• Fundamentals of register and service counter operations
	Item-by-item management training	• Approaches to hypotheses, execution, verification, and correction concepts
	Divisional training	• Basic knowledge and fundamental technologies of each division
Floor staff	Fresh food preparation training	• Acquisition training according to technical items
	Step-up training	• Fundamental knowledge of management required for executives
Floor managers	New manager training	• Management as a sales floor manager, quantitative analysis, and approaches to training
	Fresh food preparation training	• Confirmation and acquisition of priority category technologies
	Step-up training	• Business department management necessary for division managers
Division managers	New manager training	• Knowledge and management needed for store operation
	Step-up training	• Store operational management necessary for store managers
Store managers	New manager training	• Knowledge and management necessary for store operation from the perspective of management
	Store manager school	• Re-learning the basics of problem solving and human resource development, leading to behavior changes
	IY management school (Yogajuku)	• Learning human resource utilization and organizational strengths through experience and discussion
	Corporate management philosophy training	• Linking to the spread of the corporate management philosophy and physical action

Personal development support (correspondence courses, Eco Test etc.)

### Operation of "Targets Setting Chart"

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 section 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.

## Self-Development Training

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To provide opportunities for employees to engage in independent study, Seven & i Group organizes correspondence courses and e-learning relating to business skills, knowledge, etc., subsidizes tuition fees, and so on.

### Support for Taking Correspondence Courses

Ito-Yokado proposes 306 correspondence courses to all employees, including part-time employees, and subsidizes part of the tuition fees of employees completing a course. In the fiscal year ended February 28, 2021, 313 employees took correspondence courses.

### Holding of Self-Development Courses

Seven Bank provides about 300 courses including correspondence courses in English, financial knowledge, and other subjects; online courses to study English conversation, business knowledge, information technology, and programming; at-school MBA credit courses; and self-development courses. In the fiscal year ended February 28, 2021, employees took 174 courses.

### Support for Self-Development

Akachan Honpo supports the self-development of employees providing 22 correspondence courses. In the fiscal year ended February 28, 2021, six employees took the courses.

## Establishment of Training Facilities

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Seven & i Group, which develops diverse businesses, believes it is important to support employees' acquisition of professional skills, such as sales and cooking, befitting their work characteristics, to ensure that every employee understands the spirit of "Trust and Sincerity", which is our founding philosophy, and to foster the next generation of human resources. For this purpose, the Group companies have been making use of the Ito Training Center as an educational facility. Opened in 2012, so far this center has been used by an aggregate of more than 400,000 employees. The center underwent a major renovation in 2020 so that it can respond to new educational programs. The historical materials room utilizes digital signage and provides an easy-to-view, easy-to-understand study environment. The training rooms offer an environment in which employees can study enthusiastically. Unbound by any fixed format, they are equipped with stair-type stools catering to freely movable training and remote cameras and tablets enabling trainees to pleasantly take part in online training.



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 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 the 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 28, 2021, 240 people applied through this system and 23 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 conducts recruitment activities in compliance with the law and does not permit any discrimination whatsoever for reason of social status, place of birth, race, creed, religion, gender, and so on. In addition, we do not engage in forced labor or coerce employees to work against their will, and we prevent child labor by confirming age at the time of hiring. In terms of treatment, we comply with the minimum wage stipulated by law and promote equal pay for equal work. We appropriately evaluate the performance of work and the degree of contribution of each person and reflect it in rewards, such as bonuses.



### Ensuring Fairness through Self-Evaluations

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 employees and their supervisor meet to discuss the results. This direct dialogue helps the employees 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: humanity, 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 focuses on establishing systems that allow employees to choose various work styles to increase their motivation for work. For example, Ito-Yokado has a “Selective Step Up System” to enable 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 28, 2021), 194 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 Selective Step Up 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

When employees are healthy both mentally and physically, it not only makes their own lives more fulfilling but also is a source of vitality for the Company, and makes management more efficient. Based on this understanding, Seven & i Holdings launched *Seven & i Health Declaration 2018* in FY 2014 in partnership with Seven & i Holdings Health Insurance Union. With the aim of furthering this initiative and promoting the sustained growth of the Group and health of local communities, *Seven & i Health Declaration NEXT* was formulated in October 2019 with three goals.



#### 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

The specific targets advocated in the Seven & i Health Declaration NEXT include reducing the risk of lifestyle diseases, reducing the smoking rate, improving the percentage of annual paid leave taken, and reducing long working hours. The 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 initiatives are being implemented centering on the Seven & i Holdings Personnel Planning Department, Health Management Center and Health Insurance Union in collaboration with human resources and labor relations supervisors at each Group company.

## Main Initiatives in FY 2020

- Initiatives for maintaining health, preventing illness, and improving health
  - Holding of regular walking events jointly with the Health Insurance Union
  - Regular holding of online health seminars with outside experts as instructors
- Initiatives to prevent infectious diseases
  - Reduction of infection risk through utilization of working from home, staggered work, etc.
  - Distribution to employees of masks needed for work and commuting
- Initiatives to build pleasant workplaces conducive to both mental and physical health
  - Prevention of mental illnesses through the implementation of mental health training (departmental care, self-care)
  - Introduction of in-house chat service and improvement of system to encourage communication regardless of workplace (at home, head office, or other site)
- Initiatives to reduce smoking rate
  - Implementation of complete ban on smoking during working hours
  - Introduction of system of subsidies paid by the Health Insurance Union to employees who have succeeded in giving up smoking
- Initiatives to support a healthy society—Contributing to SDGs
  - Development and lineup of products taking customers' concern for salt, sugars (available carbohydrates), etc. into consideration
  - Considerations for health and evolution to tastier and higher quality products
  - Display of carbohydrates divided into dietary fiber and sugars, which are items of substantial interest to customers
  - Proposal of menus on the theme of good health at stores; recipe development; calculation of nutritional value

In March 2021 these initiatives were highly commended, and, as in the previous year, Seven & i Holdings was named in the 2021 Health and Productivity Management Organization White 500 (top 500 companies), implemented jointly by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

※Nine companies certified in the 2021 Health and Productivity Management Organization White 500: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, Seven Bank



## 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					
		FY2017	FY2018	FY2019	FY2020	March 31, 2023 Target
	Male	35.5%	37.6%	38.5%	39.6%	28% or less
	Female	25.6%	26.8%	27.6%	28.3%	18% or less
2. Reduce smoking rate	Overall Employee Smoking Rate*1					
		FY2017	FY2018	FY2019	FY2020	March 31, 2023 Target
	Overall	30.3% (male : 41.3%、 female : 22.7%)	29.3% (male : 39.7%、 female : 21.8%)	28.1% (male : 38.0%、 female : 21.2%)	26.5% (male : 36.2%、 female : 19.8%)	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

## Providing healthy, balanced meals to employees

Seven & i Food Systems operates employee cafeterias in 152 locations that provide health-conscious meals throughout Seven & i group stores and offices. For example, at Seven & i Holdings Headquarter office, in order to respond to the health needs of various employees, it offers five different types of the balanced menu daily, including a menu that takes nutrition and health into consideration. We also incorporate menu items that increase food diversity, such as featuring in production areas and seasonal ingredients.

The menu provided discloses the information of total calorie, protein, fat, and salt content; the portion size of the bowl of rice can also be adjusted. As for nutritional education, employees can access Seven & i Food Systems nutritionists' advice through monthly nutritional tips, how to consume healthy food at employee dining halls, and "health support day" is held once every month; providing more than 120 grams of vegetables per meal. There is also nudging to raise awareness of healthy eating habits (e.g., reduce the use of condiments such as soy sauce or dressings).



Examples of the menu: The meal set A : Total calorie 600 kcal or less, salt 3g or less

As measures to prevent COVID-19, employee cafeterias have set up sanitation and segmentation, secured social disincentives, and started take-out service.

## Raising employees awareness of health and implementation of health checkup

Seven & i Holdings Health Insurance Union utilizes a portal website "MY HEALTH WEB" Health Management System to hold mental health training and health-themed events. In addition, it helps employees maintain and manage their health to raise awareness about health by offering low-calorie, low sodium menu items at the staff cafeteria, and by providing health-related information through internal Group newsletters and other media.

The MY HEALTH WEB Health Management System allows individuals to browse the past five years of their health checkup data on the Internet and serves as a tool for checking and goal-setting on the health status, and for receiving advice on how to improve health. It also has an environment that allows them to 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.

## 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, Ito-Yokado conducts training on the handling of knives and other cooking devices for employees that work with fresh food products.

In addition, Seven & i Food Systems, post awareness-raising posters and other campaign materials 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 28, 2021

	Seven & i Holdings	SEJ	IY	Sogo & Seibu	YB	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency(LTIFR)	0.00	0.72	1.53	0.24	3.40	0.65	0.86	0.00
Workplace accident severity	0.00	0.02	0.04	0.00	0.01	0.03	0.03	0.00

\* No workplace accidents resulted in deaths.

### Workplace Accident Data for Eight Group Companies for the Fiscal Year Ended February 29, 2020

	Seven & i Holdings	SEJ	IY	Sogo & Seibu	YB	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency(LTIFR)	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 Group considers employees to be an important human resource asset supporting the enhancement of corporate value. We believe that employees' heightened engagement and desire to contribute leads to our organization's vitalization and strengthened competitiveness. Therefore, we conduct employee engagement surveys with the aim of creating employee-friendly workplaces with job satisfaction.



### Outline of 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, 2021, the survey was administered to approximately 82,000 employees at 30 companies in Japan. The survey is conducted once every year and the next survey is planned for the second half of the fiscal year ending February 28, 2022.

#### Results of the Employee Engagement Survey

		FY 2020
Employee engagement*	Overall	45%
	Male	48%
	Female	44%
No. of targeted employees		82,000
Response ratio		75%

\*Employees were asked multiple questions about their sense of belonging to the company and desire to contribute, and required to identify one of six levels. This is the ratio of employees who gave affirmative replies.



## Promoting Improvement Activities

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The results of the employee engagement survey are reported to the Boards of Directors, Management Councils, and others of Seven & i Holdings and Group companies, and the Group companies analyze the results, identify issues, and consider and implement countermeasures. Examples are shared within the Group as well. In 2021 we set up Engagement Improvement Committees in our operating companies, which are chaired mainly by the heads of personnel departments. These committees select diverse members by such means as advertising for activity members and promote improvement activities by compiling and monitoring action plans for increased engagement based on dialogue among members.

### Announcement of the Vision in Each Organization

At Ito-Yokado, senior management, store managers, and headquarter leaders understand its management philosophy and vision and transmit messages to combine with action criteria toward realization of the vision in each organization. This promotes the practical behavior of employees who consider the vision as their own.

### Launch of *Seven Future Meeting*

In October 2020 Seven Bank launched the Seven Future Meeting so that young employees could take part in free and lively discussions with the company president, thereby viewing all issues of the company as their own and engaging in their work with responsibility and drive. Meetings have been held 24 times so far, with discussions taking place online. The meetings also lead to better communication among young employees themselves.

### Thorough Feedback of Evaluation Results

Since many employees commented that they did not understand how they were being assessed in the personnel evaluation system, Akachan Honpo now provides thorough feedback of the evaluation results by the evaluator. Evaluation feedback for the first half of 2020 achieved a rate of 100%. There are many remaining issues, however, such as the ways of feedback, the contents, and reflection of the personnel evaluation system in daily work, so efforts will be continued to resolve them.

## 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 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 Group the Group's 11\* labor unions form the Federation of Seven & i Group Labor Unions, which as of March 2021 has approximately 51,000 members in 11 unions and a participation rate of 70.4% (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, 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 the Development of the Next Generation

Amid 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 Group offers various types of support through its stores.



#### Maternity and Childcare Counseling Service

As of the end of February 2021, Ito-Yokado and Sogo & Seibu provide maternity and childcare consultation offices at 108 stores and Pre-Mama Stations at five stores. Here, consultants certified as public health nurses and midwives provide free consultations on health during pregnancy and childcare. The stores offer restrooms equipped with such facilities as diaper-changing tables, private space for breastfeeding, water heaters for milk formula, and toilets for children.



Childcare consultation office

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

FY2016	FY2017	FY2018	FY2019	FY2020
246,060	245,988	239,934	224,552	111,326※

※In response to the declaration of a state of emergency amid the spreading COVID-19 pandemic, 78 stores closed their maternity and childcare consultation offices from April to June 2020.

#### Childcare Support Events

Ito-Yokado holds various events to provide childcare advice and encourage mutual interaction among parents. The company also actively takes part in events in collaboration 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.” Through these events, we are helping to expand community childcare support networks. (To prevent the spread of COVID-19, no events were held in the fiscal year ended February 28, 2021.)

## Supporting Career Education

To support career education at elementary schools, junior and senior high schools, and universities, Seven & i Group cooperates with requests from schools by sending out employees to each school, providing workplace tours, and holding workplace experience programs at its Group stores, where participants have the chance to take part in conducting familiar retail store operations.

### 7-Eleven Store in Shinagawa Student City

Seven-Eleven Japan has a store in Shinagawa Student City, which has been run jointly by Shinagawa-ku 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, store shelf organization, and other operations to learn about the systems of society.



Shinagawa Student City

➤ [More details about the Student City economic activity experience can be found here \(in Japanese\)](#) 

### Workplace Experience at Stores

Ito-Yokado conducts workplace experience programs at its stores for elementary school, junior and senior high school students. They experience the joy of thinking about and expressing suggestions to customers through product coordination, in-store sampling, and other means and the importance of complying with basic standards to ensure safety and reliability. (To prevent the spread of COVID-19, almost all workplace experience programs were cancelled in the fiscal year ended February 28, 2021.)

York provides opportunities 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. To prevent the spread of COVID-19, stores refrained from holding such in-store studies in the fiscal year ended February 28, 2021. Among other things, however, they did respond to interviews from teachers and distribute the CSR booklet "*Our Initiatives for Society*" and the Environment to students.

### Workplace Experience at Training Center

Seven & i Group training facility, Ito Training Center, provides store shelf organization and food processing experiences, as well as opportunities to provide service from various customer perspectives, such as helping customers in wheelchairs. Through these experiences, 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

## Outreach Classes for Company-School Exchange

Seven-Eleven Japan holds outreach classes at an elementary school as a part of the Yomiuri Education Network, which seeks to increase interactions between companies and schools. 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 with 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

## Support through Free Picture Book, Bonolon, Warrior of the Forest

For more than 15 years, Seven Bank has cosponsored and cooperated in the publication of Bonolon, Warrior of the Forest (approximately 800,000 copies, issued every even month), a picture book that parents can read to their children to facilitate their communication. Among other activities, the bank also distributes picture books free of charge and holds storytelling sessions led by employees to contribute to the sound development of the youth.



Storytelling session led by employee volunteers



## Support for Dietary Education

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 titled Bonolon and Food at its chain of Denny's restaurants. The booklet contains important information about food manners and knowledge, and teaches children about correct eating habits using games and quizzes.

In addition, some Denny's restaurants operated by Seven & i Food Systems hold dietary education classes for children regularly. These classes 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. In the fiscal year ended February 28, 2021 stores refrained from holding face-to-face classes to prevent the spread of COVID-19, but preparations are underway toward the launch of a "New Dietary School" that can be held online.



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



Dietary education class



## 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.

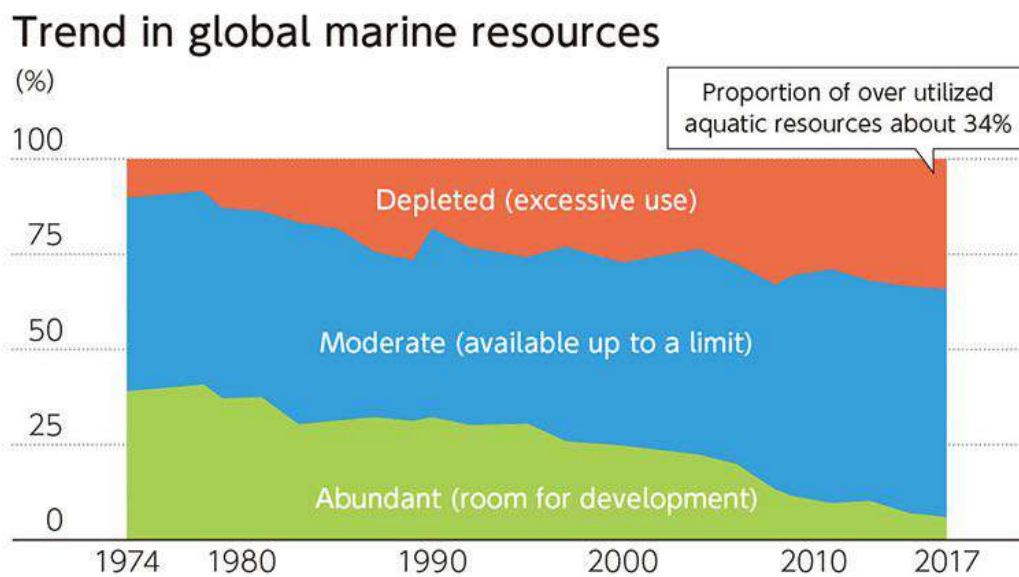
In every process from procuring raw materials to delivering products to customers, Seven & i Holdings believes that it must not only comply with laws and regulations, but it must also supply valuable products that show consideration for society and the environment. This will contribute to improving the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



Source: The State of World Fisheries and Aquaculture 2020

## 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

### **Building a Sustainable Supply Chain Together with our Business Partners >**

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.

### **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.

### **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.

## Building a Sustainable Supply Chain Together with our Business Partners

Since its establishment, Seven & i Holdings has always been committed to being a sincere company that is trusted by the various stakeholders who support our corporate activities, including customers, business partners, shareholders, local communities, and employees, as stated in our corporate creed.

Today, the world is facing a variety of issues related to human rights. Companies are being required to fulfill their social responsibilities, such as respecting and protecting human rights throughout the supply chain of the products and services they handle, complying with laws and regulations, protecting the environment, and giving consideration to working conditions. Seven & i Group places the highest priority on respecting and protecting human rights, and we ask our business partners to understand and implement the Seven & i Group Business Partner Sustainability Action Guidelines. We believe that we can provide safe and secure products to our customers by working together with our suppliers to implement the Seven & i Group Business Partner Sustainable Action Guidelines and build a supply chain that fosters sustainable development.



## Strengthening Enactment of the Seven & i Group Business Partner Sustainable Action Guidelines

Seven & i Holdings is strengthening the enactment of the Business Partner Sustainable Action Guidelines in order to provide safe and reliable products to customers and to fulfill our social responsibilities in areas such as human rights, labor, and the environment in cooperation with our suppliers. We also ask our suppliers to conduct and promote human rights due diligence.

## Thorough Implementation of the Seven & i Group Business Partner Sustainable Action Guidelines

In April 2017, Seven & i Holdings revised the "Seven & i Holdings Business Partner Action Guidelines" formulated in 2007 as the "Seven & i Group Business Partner Action Guidelines," and we have asked our business partners to understand and comply with these guidelines. In December 2019, we further revised these guidelines as the "Seven & i Group Business Partner Sustainability Action Guidelines" (hereinafter, the Guidelines). The purpose of the Guidelines is not only to ensure the safety and quality of products and services handled by the Group, but also to fulfill our social responsibilities together with our suppliers by promoting the protection and respect of human rights, compliance with laws and regulations, global environmental conservation, and consideration for the working environment throughout the supply chain. These guidelines are disseminated to all Group companies through various meetings with suppliers.

### 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

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

\*As of the end of February 2021, this document is available in 21 languages.

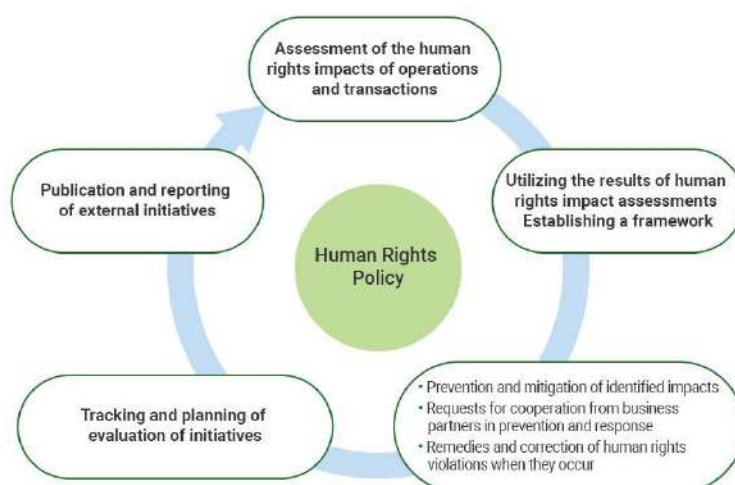
## Establishment of a Human Rights Due Diligence System

Seven & i Group's management philosophy is to be a sincere company that is trusted by various stakeholders, as stated in its corporate creed. In particular, we recognize that "respect for human rights" is the most important factor in conducting sustainable business activities and remaining a trustworthy and honest company.

In order to respect and protect human rights in the supply chain, the Seven & i Group Business Partner Sustainable Action Guidelines express the Group's stance on respect for human rights and request that suppliers comply with the guidelines.

The Seven & i Group Business Partner Sustainable Action Guidelines have been formulated as action guidelines that focus on respect for human rights in accordance with international labour standards such as the United Nations Guiding Principles on Business and Human Rights, the ILO Basic Labour Conventions, and the OECD Guidelines for Multinational Enterprises. We are working to strengthen our human rights due diligence system by implementing a human rights due diligence process that includes the identification and assessment of human rights risks, the implementation of actions to mitigate human rights risks, the monitoring of corrective actions, and the disclosure of information, as well as developing a grievance mechanism and promoting dialogue with stakeholders.

Human Rights Due Diligence Diagram



### Human Rights Due Diligence System for the Business Partner Sustainable Action Guidelines

Seven & i Group assesses the potential negative human rights impacts of its business activities on the supply chain, and based on the results of the assessment, prevents and mitigates the identified negative human rights impacts, requests cooperation from suppliers in preventing and addressing such impacts, and takes remedial and corrective actions in the event of human rights violations. We have an ongoing process of conducting follow-up evaluations and disclosing the results on our website.

#### Assess, Identify, and Analyze negative impacts on Human Rights:

Grasping the production factories of private-brand products, conducting self-checks by suppliers, and conducting CSR audits by a third-party auditing organization

#### Actions:

Education and awareness-raising activities aimed at reducing human rights risks, memorandum on CSR with suppliers commissioned to manufacture private-brand products, start of business transactions based on the premise of obtaining CSR audit certification at private-brand product manufacturing factories in China and Southeast Asia

#### Follow-up Evaluation:

Issue remediation and corrective action support

#### Information Disclosure:

Report the results to the Board of Directors and publish the results on the web

#### Relief Measures:

Establishment and operation of a dedicated supplier helpline as a grievance mechanism



Seven & i Group classifies supplier risks into five levels (R1 to R5) by region from the perspectives of human rights, labor environment, and global environmental conservation, and designates the region with the highest risk as R1, with "emerging regions in China and Southeast Asia" as R1 for priority response.

#### Operation of a Dedicated Helpline for Business Partners as a Grievance Mechanism

In order to provide safe and reliable products and services to our customers, Seven & i Holdings has established the Seven & i Holdings Business Partner Helpline. It is operated by IntegreX Inc. – a third-party organization – as a safe contact point, with consultation and reporting transaction service for early detection and prevention of problems in the supply chain. With the swift reporting from IntegreX Inc. to Seven & i Holdings and its Group companies, we strive to ensure fair transactions/problem-solving by promptly making improvements.

➤ [Click here for the Seven & i Holdings Business Partner Helpline](#)

E-mail : [7andi-helpline@integrex.jp](mailto:7andi-helpline@integrex.jp)

Mailing address: 7F, 5-8-14 Hiroo, Shibuya-ku, Tokyo 150-0012, Japan (IntegreX Inc.)

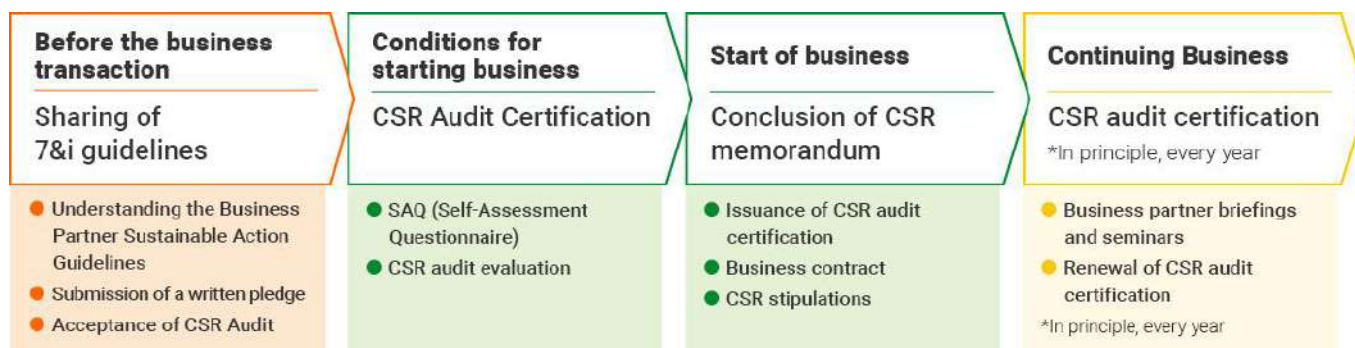
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#### Operation of the Seven & i Group Business Partner Sustainable Action Guidelines

Seven & i Holdings has asked factories that manufacture our private-brand products (Seven Premium) and private-brand products of the Group companies to cooperate in CSR audits if they are located in areas of high risk for human rights protection and legal compliance. In addition, Seven & i Group has been conducting CSR audits of factories that manufacture private-brand products in general. We also share the status of promotion of the Seven & i Group Business Partner Sustainable Action Guidelines with our suppliers and support corrective measures for problems.

We ask potential suppliers to understand and comply with the Seven & i Group Guidelines for Sustainable Business Conduct before starting business with us. If the supplier is found to be in compliance based on the results of the CSR audit and the status of corrective measures, a "Certificate of Compliance" is issued. The acquisition of a Certificate of Conformity is a prerequisite for continuing business with us.

Flow of CSR Audit and Certification System for PB Manufacturing Factories in China and Southeast Asia





## Agree to the Memorandum on CSR

Seven & i Group, together with its suppliers, aims to realize the goals of Goal 8 of the SDGs, which are "human-oriented employment with job satisfaction," "eradication of forced labor," and "prohibition and elimination of child labor. In addition, we will actively work to maintain and improve the appropriate working environment of our suppliers, such as by "ensuring appropriate labor practices in the supply chain. We ask our suppliers to agree to a memorandum on CSR as a condition of starting/continuing business with us when we outsource the manufacturing of our private brands.

In order to fulfill our responsibility to respect corporate social responsibility (CSR) and human rights, and to contribute to the realization of a sustainable society, we confirm that we will comply with the Corporate Action Guidelines and that we will continue to work together to promote CSR and human rights considerations throughout the supply chain. The purpose of this report is to confirm that we will continue to work together to promote CSR and respect human rights throughout the supply chain in light of the demands of society.

### Memorandum on CSR

- Article 1 (Purpose)
- Article 2 (Compliance with the Seven & i Group Business Partner Sustainable Action Guidelines)
- Article 3 (Implementation of Internal Control over the Business Partner Sustainable Action Guidelines)
- Article 4 (Explanation of the Business Partner Sustainable Action Guidelines, etc.)
- Article 5 (Obligation to Report the Status of Compliance with the Business Partner Sustainable Action Guidelines, etc.)
- Article 6 (Duty to report)
- Article 7 (Right of A to investigate and audit)
- Article 8 (Demand for correction in case of violation)
- Article 9 (Right of cancellation in case of non-compliance with demand for correction)
- Article 10 (Indemnification for damages)
- Article 11 (Revision of the Business Partner Sustainable Action Guidelines)
- Article 12 (Effective Period)
- Article 13 (Governing Law and Jurisdiction)
- Article 14 (Matters to be discussed)

\*This document has been prepared with reference to the materials of the Japan Federation of Bar Associations.

## Conducting Self-Checks

Seven & i Group provides a self-check sheet to allow suppliers to check the status of their promotion of the Business Partner Sustainable Action Guidelines and to support corrective actions as necessary. This checklist was created with reference to ISO 26000, the Keidanren Charter of Corporate Behavior, the OECD Guidelines for Multinational Enterprises, and the ILO International Labour Standards. Since November 2018, we have been implementing the program for 61 items, including human rights and labor environment, global environmental protection, and information management, for private brand product manufacturing contractors of Seven & i Group companies.

### Items on the Self-Check Sheet (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

### State of Self-Check Replies

FY	No. of Suppliers Targeted	No. of Suppliers who Replied (No. of Factories who Replied) (No. of Overseas/Domestic Factories)	Reply Rate
FY2020	1,133 companies	854 companies (1,267 factories) (854 domestic /413 overseas factories)	75.4%
FY2019	1,437 companies	1,050 companies (1,902 factories) (1,468 domestic /434 overseas factories)	73.1%

In order to ensure the safety and security of products and to realize a sustainable society together with our suppliers, Seven & i Group has conducted third-party audits to the manufacturing factories of our suppliers in accordance with our own audit items (16 major categories and 117 check items). The audit items comply with international conventions such as the International Labour Organization (ILO) Convention, which is a global standard, and ISO 26000, and consist of the Seven & i Group Business Partner Sustainable Action Guidelines, protection of human rights, compliance with laws and regulations, occupational health and safety, and environmental protection.

## 16 Major Categories and 117 Items in the CSR Audit (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 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.

\*The living wage includes food, housing cost, clothing, and other additional expenses related to health, transportation, personal care, child care, and education.

\*The base of the living wage calculation is based on the anchor calculation method of the Global Living Wage Coalition.

### ■ 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.

### Evaluation and Certification of CSR audits

The 16 major categories of the CSR audit are divided into three evaluation categories. The four most important categories are "forced labor," "child labor and young workers," "living wage (minimum wage)," and "disciplinary punishment. If any of these non-conformities is found, it will be classified as [Critical Non-conformity 1], and a recommendation will be made to the Group's operating companies that have contracts with the factory in question to discontinue business.

The next most important audit categories are categories of laws and regulations related to "health and safety," "working hours," "subcontracting," "environment," and "product safety." If a non-conformity is found, it is classified as a "Critical Non-conformity 2," and we notify the Group companies that have contracts with the factory in question to consider whether or not to continue doing business with them. If we decide to continue our business, we will conduct a follow-up audit to confirm that the problem has been corrected before continuing our business.

### 16 Audit Categories and Evaluation Categories (C1, C2)

		:Critical non-conformity(C1) :Critical non-conformity(C2)	
No.	Classification	No.	Classification
1	Management System and Action Guideline Implementation	9	Regular Employment
2	<b>Forced Labour</b>	10	<b>Subcontracting, Cottage Industry, External Processing</b>
3	Freedom of Association	11	<b>Punishment</b>
4	<b>Health and Safety</b>	12	<b>Global Environment Conservation</b>
5	<b>Child Labour and Youth Workers</b>	13	Anti-corruption and Fair Trade
6	<b>Living Wages</b>	14	<b>Ensuring product safety</b>
7	<b>Working Hours</b>	15	Security Management
8	Discrimination and Harassment	16	Community benefits and disaster response

## Evaluation Standard

CSR audit results are evaluated on a five-point scale of A, B, C, D, and E.

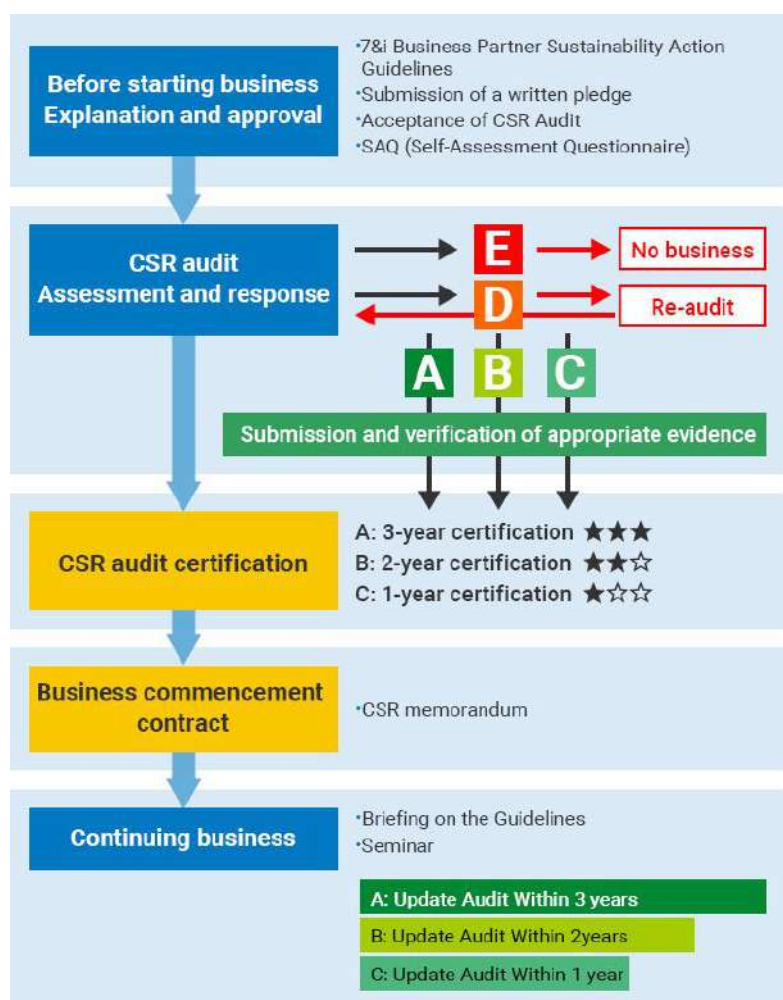
The "A" rating indicates that the CSR audit did not reveal any non-conformity with laws, regulations, or local ordinances, nor did it reveal any non-conformity with the Seven & i Group Business Partner Sustainable Action Guidelines.

"B" is for factories where no legal non-conformity was found but non-conformity to the Seven & i Group Business Partner Sustainable Action Guidelines was found, and "C" is for factories where no serious non-conformity was found but legal non-conformity was found.

"D" is the evaluation of a factory that has been confirmed to have Major Non-conformity Critical 2 or that has been confirmed to have 10 or more non-conformities with laws and regulations.

"E" is the rating for the most serious situation, where at least one [Critical 1 Major Non-conformity] corresponding to [Forced Labor], [Child Labor], [Living Wage (Minimum Wage)], or [Punishment] is identified, or where 10 or more [Critical 2 Major Non-conformities] or 20 or more non-conformities with laws and regulations are identified. All non-conformities are corrected within 90 days from the audit date, and if correction is confirmed, certification is given in accordance with the evaluation.

Certification Operational Rules (in China and Southeast Asia)





## Audit Evaluation Standard

Evaluation	Unsuitable content	Conditions (not applicable)	Certification Criteria
<b>A</b>	<b>No non-conformity with Action Guideline and laws</b>	<b>0</b>	<b>3-year certification</b>
<b>B</b>	● Minor non-conformity with Action Guideline	1~9	appropriate certificate acceptance 2-year certification
	● Major non-conformity with laws	0	
<b>C</b>	● Minor non-conformity with Action Guideline	10 or more	appropriate certificate acceptance 1-year certification
	● Major non-conformity with laws	1~9	
<b>D</b>	● Major non-conformity with laws	10~19	<b>Re-Audit</b> Continued business with "C" or higher *Up to 1 year certification
	● Critical non-conformity (C2)	1~9	
<b>E</b>	● Major non-conformity with laws	20 or more	Recommendation to terminate business
	● Critical non-conformity (C2)	10 or more	
	● Critical non-conformity (C1)	1 or more	

\*C1: 7&i Significant noncompliance regarding forced labor, child and juvenile labor, disciplinary actions, and living wage within audit requirements and reports.

\*C2: Major nonconformities in health and safety, working hours, subcontracting environment, and product security.

## Flow of the Day of the CSR Audit

Seven & i Holdings provides advance notice and visits the factories to be audited to confirm compliance with the CSR audit items by checking sites, documents, and data, and by interviewing managers and workers. Interviews with workers are conducted in a separate room, with only the auditors present, to prevent any instructions or retaliation from the employers. In principle, on-site audits are conducted in one day, from 9:00 a.m. to 6:00 p.m. Materials and images submitted by the factory during the audit will be properly managed and supplemented based on the confidentiality agreement, and will not be leaked to outside parties.

Opening Meeting	Site Check	Executive Interview	Employee Interview	Document Check	Closing Meeting
<b>Target attendees:</b> Factory manager Respective department manager of the HR, Facility & Equipment, and QA  <b>Agenda:</b> •Briefing on the main point of the audit •Declaration of confidentiality •Schedule briefing	<b>Scope of audit:</b> Entire factory (production line, warehouse and chemical closet, lounge, ancillary facilities including cafeteria, dormitory, etc., sewage disposal system, scrap yard, power generation/feed facilities, other relevant areas)  <b>Accompanied by:</b> Respective facility manager	<b>Target attendees:</b> Factory manager Relevant department's managing staff  <b>Questions:</b> Organizational operation Implementation status of Business Partner Sustainable Action Guidelines, human rights/ethics, health and safety, labor, helpline, treatment of non-Japanese workers, etc.	<b>Target attendees:</b> Site workers  <b>Number of workers:</b> About three people  <b>Selection method:</b> Candidates selected by the auditor on the day  <b>Required time:</b> 10 minutes/person	<b>Scope of audit:</b> •Project approval •Notifications/permission and approvals •Work regulations •Job contract •Labor management •Safety control •Chemical substance control •Waste control •Environment/sewage control •Information control etc.	<b>Target attendees:</b> Factory manager Respective department manager of the HR, Facility & Equipment, and QA  <b>Agenda:</b> Comprehensive assessment of the audit and explanation of findings Request for preparing a corrective action plan

## Confirmation of Correction after Audit

If any non-conformity (non-conformity) is found as a result of the audit, the third-party audit organization will point out the non-conformity to the supplier. Suppliers are requested to submit a Corrective Action Plan (CAP) based on the findings to the audit organization within 10 business days after the audit, and are required to take immediate action to improve the issues identified. After receiving a report from the supplier on the completion of improvement, we will confirm the completion of the improvement by receiving photos and collateral materials (evidence) showing the improvement. However, in cases where a certain standard is exceeded, such as when a large number of serious non-conforming items occur, we visit the factory again and conduct another audit to confirm that the problem has been corrected.

### ◆Process for submitting a Corrective Action Plan (CAP)

- (1) Report on the cause of non-conformity and corrective action plan: Submit to the auditor within 10 days
- (2) Implementation of corrective actions: Submit evidence to auditors within 90 days.\*
- (3) Appropriate CAP: Accepted by auditor → Confirmed and approved by Seven & i Holdings → Certificate issued
- Inappropriate CAP: Return submitted documents and request for re-submission

\*If evidence of correction is not submitted within 90 days of the completion of the audit, a re-audit (follow-up audit) will be conducted.

## Response to Major Non-conformities

Seven & i Holdings does not tolerate any form of human rights violation in the Group's business or supply chain. Our response to the major non-conformities is stipulated in the "Seven & i Group Business Partner Sustainable Action Guidelines," which we disseminate to all our suppliers and explain at supplier briefings.

## CSR Audit Compliance Certification System

Seven & i Holdings issues a Certificate of Conformity to suppliers when the results of CSR audits indicate conformity. If a nonconformity is found, a "Certificate of Conformity" is issued to the supplier when the nonconformity has been corrected or when the third-party auditing organization and Seven & i Holdings determine that the content of the plan described in the CAP is valid.





## Results of CSR Audits of Suppliers

### CSR audits of Overseas Factories

Since fiscal 2012, Seven & i Holdings has been conducting annual CSR audits to confirm compliance with the Seven & i Group Business Partner Sustainable Action Guidelines by defining critical suppliers as those factories that are judged to be particularly important from the perspective of risk management. We conduct annual CSR audits to confirm compliance with the Seven & i Group Business Partner Sustainable Action Guidelines.

### Our Definition of "Critical Suppliers"

We define "critical suppliers" as factories contracted to manufacture Seven Premium (private-brand) products, and factories located in China and Southeast Asia (13 countries) contracted to manufacture private-brand products of the Group companies, that handle high volume, critical and non-substitutable for our private brand products.

### Number of CSR Audits (Overseas Factories)

FY	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 Plan
No. of audited factories	17	28	328	226	245	215	274	304	413	approximately 500
Implementation rate*1 (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	89.8*2	-

\*1 Ratio of the number of factories audited to the planned number of factories (excluding factories that no longer need to be audited due to completion of production, cessation of business)

\*2 In FY2020, audits were suspended at 47 factories to prevent the spread of novel coronavirus infection.

### Number of Re-audited Factories (Overseas)

FY	Total			Aparel			Household Goods			Foods		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
No. of re-audited factories	33	112*1	40*2	11	56	24	10	35	8	12	20	7

\*1 Number of re-audited plants increased due to stricter re-audit standards from FY2019

\*2 Introduce a certification system based on CSR audits as a condition for starting new transactions from FY2020

> [Number of Factories with Non-conformity Found by Country and Audit Category from FY 2018 to FY 2020\(Oversea Factories\)](#) 📄

> [Number of Factories Audited by Product Category from FY2018 to FY 2020\(Oversea Factories\)](#) 📄

### Response to [Major Non-conformities Critical 1] that Occurred in FY2020 (Results)

As a result of the audit in FY2020, 11 factories were found to have "Critical 1" non-conformity, and corrective actions have been taken. Non-conformities related to living wages (minimum wage) (8 cases) and young labor (3 cases) were confirmed. Among the non-conformities related to living wages (minimum wage), inadequate wage payment records were also addressed as non-conformities. Three cases of non-conformity related to young labor were identified: failure to register young workers with the local government, failure to conduct health checkups, and overtime work for minor tasks, all of which were confirmed as clear with the corrective actions. As a result of the follow-up CSR audit, no non-conformities related to forced labor, child labor under the age of 15, or punishment were identified.

### CSR Audits of Domestic Factories

Seven & i Holdings started conducting CSR audits of factories to which we outsource the manufacture of private- brand products (Seven Premium) in Japan since 2018 to appropriately address issues such as employee work style reform, employment of foreign workers, and global environmental conservation. The number of audits conducted was 50 factories on a trial basis in fiscal 2018, and full-scale audits are being conducted at 327 factories in fiscal 2019, 271 factories in fiscal 2020 (about 30% of the total). As a result of the audits in fiscal 2020, some form of non-conformity was confirmed at about 83% of the factories, and corrective measures are being taken. There were no non-conformities related to discrimination against foreign workers or forced labor.

Seven-Eleven Japan commissions a third-party organization to conduct CSR audits of some of its suppliers in Japan based on the same standards as the Seven & i Group CSR audits. Twenty-seven factories were audited in fiscal 2018, 87 factories were audited in fiscal 2019, and 52 factories (47 companies) were audited in fiscal 2020. We will continue to promote CSR by involving the supply chain.

> [Number of Factories with Non-conformity Found by Audit Category from FY 2018 to FY 2020 \(Japan\)](#) 📄

> [Number of Factories Audited by Product Category from FY2018 to FY 2020 \(Japan\)](#) 📄

## Informing Suppliers of the Seven & i Group Sustainability Action Guidelines

### Distribution and Delivery of the Seven & i Group Business Partner Sustainable Action Guidelines

From June to October 2018, Seven & i Holdings distributed the Seven & i Group Business Partner Action Guidelines to 18,484 companies with confirmed business relationships through the product development staff of each Group company. In December 2019, we revised the guidelines to the Seven & i Group Business Partner Sustainable Action Guidelines, and by June 2020, we had distributed the guidelines to 12,385 companies. In addition, we are holding web briefings to promote understanding of the guidelines. In addition, from fiscal 2020, new suppliers who outsource the manufacture of private brand products in China and Southeast Asia will be required to submit a written pledge to comply with the guidelines, sign a memorandum on CSR, and undergo a CSR audit before commencing business. We communicate these guidelines to all suppliers, including those outside Japan, and confirm their level of understanding in an effort to ensure compliance with the guidelines.

### Holding a Briefing Session on the Seven & i Group's Business Partner Sustainable Action Guidelines and Quality Policy

Seven & i Holdings holds local briefings on the Seven & i Group Business Partner Sustainable Action Guidelines and related policies for suppliers in China and Southeast Asia, where CSR risks are considered to be high, among those to whom we outsource the manufacture of private brand products. At the briefing, a representative from the Sustainability Development Department of Seven & i Holdings provides explanations accompanied by a local language interpreter.

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 factories (94.9% participation rate\*1). 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 factories (94.4% participation rate\*2).

In fiscal 2020, we had planned to hold briefing sessions on the Seven & i Group Business Partner Sustainable Action Guidelines and CSR Audits in Asia to familiarize domestic and overseas suppliers with the Guidelines, as the Guidelines were revised for the first time in three years and the number of the audit target suppliers significantly increased.

However, due to the global spread of the new coronavirus infection (COVID-19), it was postponed, and instead, on-demand video distribution of the report titled "Aiming for Sustainable Development with Suppliers" begun in June 2020 for suppliers who have its production bases overseas. In June 2020, we started to distribute the report (274 people from 178 companies have viewed the video\*3).

Since August 2020, materials in Chinese and five other Asian languages have been available for viewing, and in October, a CSR audit information video with Chinese narration has been distributed to suppliers in China. (79 people from 66 companies have viewed the video)

At the briefing sessions, we explain the Seven & i Group's Business Partner Sustainable Action Guidelines and Quality Policy, and introduce examples of factories with excellent quality management and CSR audit item management, so that our suppliers can understand the specific evaluation details and promote their initiatives.

We have also introduced a commendation system to support the improvement and motivation of our suppliers, and we award certificates and trophies to excellent suppliers.

\*1 Percentage of factories participating in briefings among factories subject to CSR audits in fiscal 2018 (overseas)

\*2 Percentage of overseas factories subject to CSR audits in fiscal 2019 that participated in briefings

\*3 FY2020 online briefings are for reference purposes only, as they were extracted from access logs.



March 2019 at Shanghai



April 2019 at Jakarta

## Conducting Compliance Training for Suppliers

Seven & i Holdings holds compliance training for its suppliers who manufacture private brand products on consignment in China and Southeast Asia, where CSR risks are high, with the aim of raising awareness of human rights, labor environment, and global environmental conservation, as well as promoting understanding of and thorough compliance with relevant basic laws and regulations. In this training, we familiarize our suppliers with the Seven & i Business Partner Sustainable Action Guidelines, ILO International Labour Conventions, ISO 26000, occupational safety laws and regulations of various countries, equipment management, and chemical management, and hold consultations on corrective measures based on the results of CSR audits. In 2020, due to the impact of the novel coronavirus infection (COVID-19), we are holding online video training via on-demand delivery. For the management and preparation of the training, we ask TÜV Rheinland Japan Ltd., which handles CSR audits, to conduct the training.

### Compliance Training for Suppliers in FY2021 (as of the end of June 2021)

\*1 All events were held in a live online format with recording.

\*2 The number of participants and companies are extracted from the access status of the online live webcast.

Month	Country	No. of Participants	No. of Participating Companies
April 2021	China (Twice)	204	71
April 2021	Japan	423	274
May 2021	Thailand	70	44
May 2021	China (Twice)	131	110
May 2021	Vietnam	35	32
June 2021	Japan (Twice)	1,120	830
June 2021	China	123	102
June 2021	Thailand	45	33
June 2021	Vietnam	28	24

### Compliance Training for Suppliers in FY2020 (as of February 28, 2021)

\*1 All events were held in a live online format with recording.

\*2 The number of participants and companies are extracted from the access status of the online live webcast.

Month	Country	No. of Participants	No. of Participating Companies
June 2020	Japan	274	178
October 2020	China	79	66
January 2021	China (Twice)	304	215
February 2021	Japan	213	145

### Compliance Training for Suppliers by FY

\* All events in FY2021 and FY2020 were held in a live online format with recording.

\* For FY2021 and FY2020 The number of participants and companies are extracted from the access status of the online live webcast.

	FY 2018	FY 2019	FY 2020*	FY 2021* (as of the end of June)
No. of times	7	20	5	12
No. of participating companies	171	485	604	1,520
No. of participants	244	768	870	2,179

## In-House: Compliance Training

Seven & i Group holds meetings attended by the managers and staff of the departments in charge of product development and procurement at each Group company to report on the results of CSR audits and hold study sessions on the audits. At the study sessions, we invite the head of auditing at TÜV Rheinland Japan Ltd., which conducts CSR audits, to explain the latest information and laws and regulations in the countries and regions where our contract manufacturers' factories are located, using specific examples.

**Compliance Training (In-House) in FY2021 (as of the end of June 2021)**

Month	Contents	No. of Participants
April 2021	Seven & i Group Business Partner Sustainable Action Guidelines	305
May 2021	Operation of 7&i CSR Audit	118

**Compliance Training (In-House) in FY2020 (as of February 28, 2021)**

Month	Contents	No. of Participants
June 2020	Study Session for Seven & i Group Business Partner Sustainable Action Guidelines/7&i CSR Audit	138
July 2020	Study Session for Seven & i Group Business Partner Sustainable Action Guidelines/7&i CSR Audit	89
July 2020	Supply Chain Subcommittee (Executives of 28 Group operating companies) • Outline of the results of CSR audit for the first quarter of FY2020 • Response plan for FY2020	62
October 2020	Supply Chain Subcommittee (Executives of 28 Group operating companies) • Outline of the results of CSR audit for the second quarter of FY2020 • Response preparation for FY2020	69
January 2021	Supply Chain Subcommittee (Executives of 28 Group operating companies) • Outline of the results of CSR audit for the third quarter of FY2020 • Plans for FY2021	60

**Compliance Training (in-House) by FY**

	FY 2019	FY 2020	FY 2021* (as of the end of June)
No. of Times	7	5	2
No. of Participants	380	418	423

**Collaboration with Human Rights and Economy-related Organizations**

Seven & i Holdings is making efforts to collect and disseminate information on supply chain management in cooperation with human rights and economic related organizations. We are a member of the Global Compact Network Japan (GCNJ) and the Council for Better Corporate Citizenship (CBCC), both of which are external organizations. We also participate as an advisory group company in the "JAPAN PLATFORM FOR MIGRANT WORKERS TOWARDS RESPONSIBLE AND INCLUSIVE SOCIETY," a joint secretariat of the Japan International Cooperation Agency (JICA) and The Global Alliance for Sustainable Supply Chains (ASSC). We aim to achieve a multicultural society by protecting the human rights of foreign workers, in our operation, as well as those in the supply chain, promoting the development of appropriate working and living environments, and realizing decent work for foreign workers.

**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.

- October 2020: Our Director and Managing Executive Officer participated in a panel discussion on "Corporate Management from the Perspective of Life and People" at the GCNJ Symposium 2020 as a panelist.

➤ [Click here for the "JAPAN PLATFORM FOR MIGRANT WORKERS TOWARDS RESPONSIBLE AND INCLUSIVE SOCIETY"](#) 

➤ [Click here for "Corporate Management from the Perspective of Life and People" at the GCNJ Symposium 2020 \(Japanese\)](#) 

## Information Disclosure

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Seven & i Holdings is committed to timely and appropriate information disclosure to all stakeholders, including customers, suppliers, and investors, in order to build a sound supply chain. By actively disclosing information on the results of CSR audits and issues in the supply chain, we are able to provide safer and more secure products to our customers.

## Relief Measure/Remedies

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Seven & i Holdings has established a reporting contact point (Helpline) for suppliers and stakeholders working in the supply chain. If human rights violations are found through CSR audits or reporting, remedial measures are taken after conducting an appropriate investigation.

### Business Partner Helpline

The Business Partner Helpline is available to directors, employees, and former employees of our suppliers. The system is introduced at briefings for suppliers, and leaflets are distributed to promote awareness.

## Material Issue 5 Building an Ethical Society and Improving Resource Sustainability Together with Customers and Business Partners

### Sustainable Environment Conservation Activities

Seven & i Holdings collaborates with NPOs and other organizations to undertake measures that help prevent global warming and preserve 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 Seven-Eleven Foundation at 16 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 addition, encouraging greater use of wood materials collected by forest thinning initiatives 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

Seven-Eleven Foundation was established in 1993 for 7-Eleven stores and Seven-Eleven Japan to work together as one on environmentally-themed social contribution activities. Using money collected from in-store donation boxes and donations by Seven-Eleven Japan, the foundation engages in projects related to environmental citizenship activity support, nature conservation, public engagement, and disaster reconstruction assistance. In the fiscal year 2020, in-store donations totaled ¥420,596,964 and ¥111,063,824 were used to make grants to 269 environmental citizenship projects (including ongoing projects), which supports environmental activities led by local citizens.

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, riparian forests, and ocean, as well as to increase CO<sub>2</sub> 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 restoration of abundant forests. Furthermore, as for Seven Forest Creation in the Sea project, the foundation is working to increase the amount of eelgrass, which purifies seawater quality and helps preserve biodiversity by absorbing CO<sub>2</sub> in the sea and accumulating carbon. Seven-Eleven Foundation has concluded agreements with governments/municipals and NPO corporations, and is working with 7-Eleven franchised stores and citizens towards the goal of creating our natural environment where rich biodiversity can co-exist with the local people.

In March 2021, Seven-Eleven Foundation concluded the "Cooperation Agreement on Environmental Conservation and Collaborative Efforts" with the Ministry of the Environment, and the Environmental Partnership Council (EPC), which is an organization entrusted with the Global Environmental Outreach Centre (GEOC). The foundation also operates the Kuju Furusato Nature School and Takao Forest Nature School under the foundation's basic philosophy of "learning from nature on the coexistence and co-prosperity of people and nature, the natural environment and local communities." Both schools collaborate with government agencies, companies, and educational institutions through activities to protect and preserve the natural environment. The schools also contribute to human resource development by providing learning experiences such as the importance of biodiversity, local nature, history, the culture of the region, and pass them on to future generations. Not only educational activities but the schools also engage with research activities. The Kuju Furusato Nature School has been registered as a monitoring site to the "Monitoring Site 1000" project operated by the Biodiversity Center of the Ministry of the Environment and has been monitoring flora and fauna since 2007. The Takao Forest Nature School has also been registered since 2018. Kuju Furusato Nature School's "Decade of Rice Paddy Biodiversity Enhancement Project" is registered as an authorized collaborative project of the United Nations Decade of Biodiversity Japan Committee (UNDB-J).

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



#### Operation of learning facilities for the protection and preservation of the natural environment

Name	Web Link (Japanese)
Takao Forest Nature School	<a href="#">LINK</a>
Kuju Furusato Nature School	<a href="#">LINK</a>

#### Examples of partnerships to protect and preserve the natural environment

Name	Details	
The Ministry of Environment "Monitoring Site 1000"	Participation in continuous activities to collect and accumulate natural environment data since 2007	<a href="#">Link (Japanese)</a>
	The Ministry of Environment	<a href="#">Link</a>
"Cooperation Agreement on Environmental Conservation and Collaborative Efforts" ( <a href="#">Link</a> ) (Japanese)	Environmental Partnership Council (EPC), which is entrusted with the Global Environment Outreach Centre (GEOC)	<a href="#">Link</a>
Seven Forest Creation	Promoting healthy forest development through forest nurturing activities ranging from tree planting to clearing and thinning	<a href="#">Link (Japanese)</a>
Seven Forest Creation in the Sea	In addition to beach cleanups, the project promotes restoring water quality, planting CO <sub>2</sub> -absorbing plant - eelgrass to enhance the healthy ocean environment.	<a href="#">Link (Japanese)</a>
Mt. Fuji Conservation Activities	Since 1994, with the cooperation of the Mt. Fuji Club (NPO), cleanup and removal of invasive species have been conducted on both the Yamanashi and Shizuoka sides of the mountain.	<a href="#">Link (Japanese)</a>
Kiritappu Wetland National Trust	In order to pass on the rich ecosystem of Kiritappu wetland to the next generation, the foundation promotes the National Trust Movement together with the Kiritappu Werland National Trust (NPO)	<a href="#">Link</a>
The United Nations Decade of Biodiversity Japan Committee (UNDB-J)	"Decade of Rice Paddy Biodiversity Enhancement Project" is registered as an authorized collaborative project with UNDB-J	<a href="#">Link (Japanese)</a>

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

Seven-Eleven Japan supports the Umi-to-Nippon Project (The Ocean and Japan Project)—run by the Ministry of the Environment and the Nippon Foundation—and carries out the UMIGOMI Zero WEEK (Sea Waste Zero Week), among other regional cleanup projects. The company has also participated in events such as a cleanup project in the Shonan Enoshima area in May 2019, followed by another in September 2020 around Tokyo Tower, as well as implementing other local cleanup projects. Franchise store owners, employees, and Head Office employees participated, along with Ito-Yokado employees and others. We remain committed to creating a beautiful community, and to conserving the environment through environmental beautification projects 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 tag 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 the end of February 2021, a total of 15,980 trees were planted under this initiative.)



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 is cultivated with measures designed to protect the environment and biodiversity in place. It not only uses fewer agrichemicals and chemical fertilizers, but also encourages agroecology, in which rice fields also serve as wildlife habitats. A portion of sales are donated for the purpose of making environmental improvements. In the fiscal year ended February 28, 2021, 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 ¥50,000 to the Fund for the Improved Habitat for the Japanese Crested Ibis.



Rice cultivated while protecting the environment and biodiversity

## Participating in the Green Down Project

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Ito-Yokado has been participating in the Green Down Project, the objective of which is appropriate disposal and recycling of down products. As of March 2020, Ito-Yokado stores have perfected their systems for collecting down jackets, now enabling drop-off of down futons and down jackets at all times. Also, as of November 2020, approximately 70 store locations had begun selling products made of down collected and recycled through this project. Over the ten-month period of March through December 2020, a total of 723 down items were collected from customers through this project. The revenues garnered from selling these items, approximately ¥190,000 (excluding tax), were donated to the Kiritappu Wetland National Trust, an organization that works for the conservation of key habitats for water fowl.

## Donation of Revenues from Paid Plastic Bags

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The three companies of Ito-Yokado, York-Benimaru, and York, are working on tactics to reduce plastic bag use, with a view to resolving such global environmental issues as ocean plastics pollution and CO2 emission reduction. In order to further cut negative environmental impact, the companies have been selling only environmentally-friendly plastic bags to customers as of July 1, 2020. Revenues<sup>※1</sup> from these bags totaled approximately ¥32,080,000<sup>※2</sup> for the three companies together, the sum of which was gifted to approximately 20 organizations, including municipal governments, for broad use in environmental conservation initiatives.

※1 Amount after subtracting raw material costs from sales revenues

※2 Total for the period of July 1, 2020–December 31, 2020 (York: April 11, 2020–December 31, 2020)

## Material Issue 5 Building an Ethical Society and Improving Resource Sustainability Together with Customers and Business Partners

### Sustainable Procurement of Raw Materials

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

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 Seven & i Group's Seven Premium private brand, 8 cod roe products and 11 karashimentaike (salted cod roe with red pepper) products (as of the end of February 2021) certified by MSC※ have been sold at the stores of 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. In the fiscal year ended February 28, 2021, MSC certified products accounted for 10% of Seven Premium marine products.



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 the end of February 2021). ASC certification is conferred upon aquaculture companies that have shown consideration of their responsibilities to the environment and society. In the fiscal year ended February 28, 2021, ASC certified products accounted for 1.4% of Seven Premium marine products.

※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. From April 2020, four original “Fresh Fish with Traceability” products—yellowtail, amberjack, red sea bream, and flatfish—were given the MEL mark. With the further certification given to wakame seaweed and ginzake salmon, certified products of a total of six varieties of fish are now being sold at 123 Ito-Yokado stores nationwide as of the end of February 2021. 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.

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://www.melj.jp/>



Marine products with MEL certification



Marine products with MEL certification



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. Alaska Seafood is all-natural marine products, and strictly manages resources and fisheries in the region of product origin of Alaska, to ensure that no damage results to the ecosystems which conserve the natural marine resource.

In the fiscal year ended February 28, 2021, Sogo & Seibu conducted in-store Alaska Seafood promotions at 8 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, sablefish, red salmon, and benisujiko (salted salmon roe) are sold at food sections.

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

## Approach to Agricultural Product Procurement

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. The minimum necessary levels of agricultural chemicals are used as GAP includes initiatives relating to food safety and environmental conservation.

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 28, 2021 were approximately ¥24.6 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).

### Number of GAP-certified※1 personnel and sales of Fresh Vegetables with Traceability and Fresh Fruits with Traceability

Ito-Yokado & York-Benimaru  
Number of GAP-certified※1 personnel

	FY2019	FY2020
Ito-Yokado	200※2	200※2
York-Benimaru	—	87

※1 Including JGAP and other GAP certifications

※2 Approximate number

Ito-Yokado  
Sales※ of Fresh Vegetables with Traceability and Fresh Fruits with Traceability (100 million yen)

FY2018	FY2019	FY2020
226	228	246

※Approximate number



Fresh Vegetables with Traceability (traceable fresh vegetables with a face of the producer)



## 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 on agrichemicals and radioactive materials..

## 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

Under 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

Under Seven & i Group's Seven Premium private brand, we sell coffee beans, cacao 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

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. 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.

## Procurement of Organic Cotton

In response to growing interest in products that are safe, secure, and environmentally friendly, 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

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 118 Ito-Yokado stores throughout Japan (as of the end of February 2021) 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.



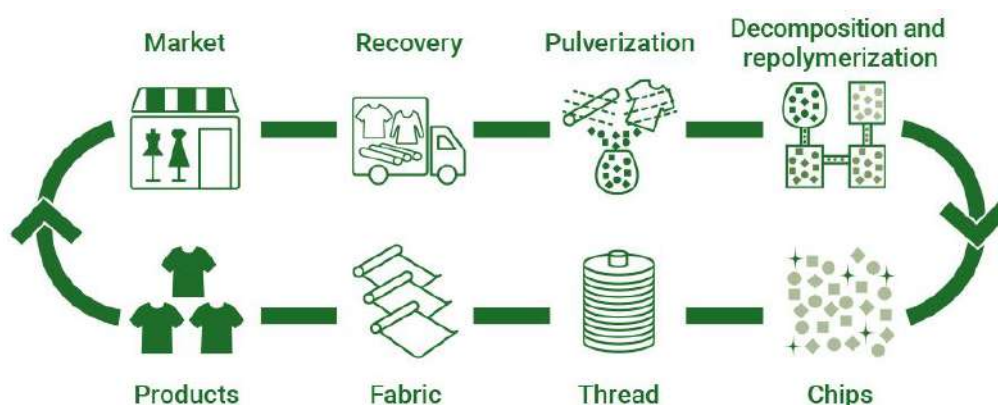
Seven Premium Lifestyle 100% Organic Cotton Innerwear

## Sale of Products Using Recycled Fibers

Seven & i Group is making efforts to develop and sell products using recycled materials to facilitate procurement which is sustainable and conscious of the global environment.

### Sale of Products Using Recycled Polyester

Ito-Yokado began to sell casual wear made with the recycled polyester "RENU®," created by recovering and recycling previously discarded garments and clothing fabrics. In the fiscal year ended February 28, 2021, we carried items, including women's and men's t-shirts, shirts, and lower body garments for purchase at 110 stores. Moving forward, we are aiming for sales for FY2021 of approximately ¥800 million and 370,000 units under a plan to further expand our range.



## Sale of Eco-Friendly Umbrellas

"Eco-friendly Revolving Umbrellas (Men's)," a part of the Seven Premium range, the private brand of Seven & i Group, are sold at 106 Ito-Yokado store nationwide (as of the end of June 2021) as well as the Group's integrated portal website, omni7. This product is an eco-friendly umbrella with a water-repellent finish which does not use fluorine, made using recycled polyester in the umbrella fabric. It is designed to be wind-resistant to revolve and adjust to winds, giving it excellent durability.



Men's "Seven Premium Lifestyle"  
Eco-friendly revolving umbrella



Women's "Seven Premium Lifestyle"  
Eco-friendly all-weather umbrella

## Animal Products Procurement

Ito-Yokado's original product "Fresh Meat with Traceability" is designed to deliver safe and reliable products to customers. In cooperation with the producers, Ito-Yokado is committed to providing quality rearing environments, environmentally-friendly feeding, minimizing the use of antibiotics, hormones, and other pharmaceuticals; keeping all the administration record is mandatory.

For the product, our procurement officers/merchandisers check with producers at the production sites to ensure that they are applying appropriate feeding and rearing 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 certification is obtained.

Ito-Yokado also promotes the acquisition of JGAP (livestock) certification in the production area of "Fresh Meat with Traceability." JGAP (Livestock) audit standard consists of 113 items that are important for sustainable farm management, including food safety, considerations for the health of animals (animal hygiene) and a comfortable environment for raising the animals (animal welfare), measures for ensuring the safety of workers, and environmental protection.

### ■ Five Promises of Fresh Meat with Traceability

- These lines deal with only domestically grown animal products.
- Producers who focus on quality feed and rearing environments are carefully selected from all over Japan.
- Products are delivered to customers under the name of each individual producer.
- Discerning techniques and personalities are introduced on the website and on sales floors.
- Antibiotics are used as little as possible, and substances and radioactive materials are checked continuously.

### ■ Seven initiatives for the Sustainability of Agriculture (GAP)

- Trustworthy Farm Management
- Securing Food Safety
- Ensuring Environmental Protection
- Securing Worker Safety
- Workers' Human Rights and Welfare
- Ensuring Animal Hygiene
- Animal Welfare considerations

> [JGAP \(Basic - Fruits and Vegetables\) can be seen here](#)

> [JGAP \(Livestock and Livestock Products\) can be seen here](#)

> [Japan GAP Foundation website can be seen here](#)

\*Animal welfare: Rearing of an animal in consideration of its comfort

(Source: Control Points and Compliance Criteria (for Farms) Livestock and Livestock Products 2017)

One of the criteria for JGAP certification is to take measures based on the "Guidelines for Animal Feeding Management Based on the Concept of Animal Welfare."

The "Guidelines for Animal Feeding Management Based on the Concept of Animal Welfare" states that it is important to conduct livestock feeding management with consideration for comfort, comprehensively taking into account the "five freedoms" (i.e. (1) freedom from hunger, thirst and malnutrition, (2) freedom from fear and distress, (3) freedom from physical and thermal discomfort, (4) freedom from pain, injury and disease, and (5) freedom to express normal behavioral patterns) mentioned in the introduction of the OIE (The World Organisation for Animal Health).

## Approach to Usage of Forest Resources

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

### Use of FSC®-Certified Paper

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 28, 2021, FSC®-certified paper is used for 220 items including ice cream containers, and PEFC-certified paper is used 34 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

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 leadership of the Director and Managing Executive Officer Head of Corporate Development Division of Seven & i Holdings.



### 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 four 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
<b>1. Verification of the Social Contribution Activity Cost Over One Year</b>	The activity cost is verified by type and format of activity.
<b>2. Verification with KPIs</b>	<p>The effect of the initiatives is measured numerically by using our established key performance indicators (KPIs). For example, we conduct "shopping support" services to assist seniors (Seven-Meal, Net Supermarket, mobile store service, etc.) and 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.</p> <p><a href="#">Further details about shopping support can be found here &gt;</a></p>
<b>3. Dialogue with Organizations We Support</b>	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.
<b>4. Survey of Employees Who Participate in Activities</b>	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.
<b>5. Survey of Employees Overall</b>	<p>Every second year we conduct an Employee Opinion 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.</p> <ul style="list-style-type: none"> <li>● Sample question: 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> </li> </ul> <p><a href="#">Further details about the Employee Awareness Survey can be found here &gt;</a></p>

## 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 Donation Boxes

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 28, 2021, donations for this storefront fund collection drive collected from customers and employees totaled ¥32,867,777.

In addition, as a new initiative, a web-based fundraising campaign was launched through the Seven Mile Program in June 2020, and the total amount of donations since the start of the program in 2016 has reached ¥185,421,141.

### Fund Collection Results for the Fiscal Year Ended February 28, 2021 (Ito-Yokado)

(Yen)

Implementation Period	Days	Fund Detail	Amount
March 1 to April 16	47	Fund to Support Children's Futures	2,053,728
April 17 to May 31	47	Donation for emergency relief for COVID-19 in 2020	3,063,112
June 1 to August 31	63	Donation for the National Federation of All Japan Guide Dog Training Institutions	6,654,014
(During the above period, July 6 to August 2)	28	Donation for disaster relief due to heavy rain	4,688,806
September 1 to November 30	91	Donations for emergency relief of COVID-19 in developing countries	5,653,169
December 1 to February 28	90	Donation to support medical personnel for COVID-19	10,754,948

### 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 stores.

Sogo & Seibu has placed dog-shaped donation boxes at all stores permanently 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 the end of February 2021 were ¥674.00 million). Besides fund collection activities, Sogo & Seibu also conducts awareness-raising activities for customers. Each Sogo & Seibu store conducts events to improve public understanding toward people with visual impairments and their guide dogs. Ito-Yokado began making donations to the National Federation of All Japan Guide Dog Training Institutions in 1991 to support the training of guide dogs, and celebrated its 30th anniversary in 2021. From 1991 to 2020, a cumulative total of ¥80,372,870 has been donated.



## Social Contribution Activities through Donation of Products

Since August 2017, Seven-Eleven Japan has been donating a portion from product inventories—except fresh foods and products requiring permits such as alcohol, cigarettes, and stamps—that arise during store renovations 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 28, 2021, this initiative has been expanded to 33 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 waste.



Social contribution through donation of food

## Donating Shoes to Children in Zambia

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 the end of February 2021, Sogo & Seibu had sent about 1,010,000 pairs of shoes since 2009.

※ JOICFP is an NGO working for international cooperation that was started in Japan to protect the health and lives of women and children in the developing world.



Children in Zambia choosing from the donated shoes

[Further details about the Sogo & Seibu children's shoes donations can be found here](#)

## Cooperation with White Ribbon Campaign

Akachan Honpo and Sogo & Seibu have been providing sponsorship for the White Ribbon Campaign launched by JOICFP to protect the lives and health of pregnant women and babies throughout the world. These companies have been working 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 47 White Ribbon Campaign Vending Machines at inside and outside of stores (Akachan Honpo 37 machines, Sogo & Seibu 10 machines) as of the end of February 2021. 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, 2020

## Social Contribution Activities Costs (Fiscal Year Ended February 28, 2021)

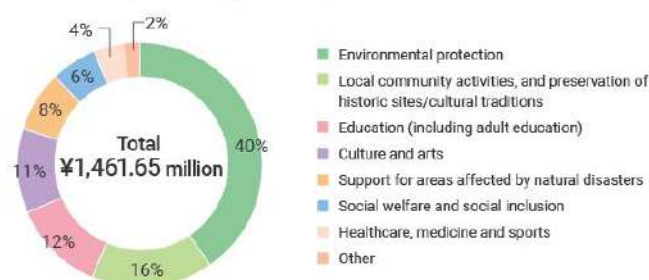
The social contribution activities provided by Seven & i Group in the fiscal year ended February 28, 2021, including the provision of financial assistance or the donation of goods, and the personnel costs of employees involved in these activities, amounted to a total of ¥1.46165 billion when converted into monetary terms. Of this total, cash donations were approximately ¥0.54 billion.

### Social contribution activities costs in the fiscal year ended February 28, 2021

(Thousands of yen)

Category	Amount
Administration cost	812,763
Cash donations	541,992
Donation of goods	81,570
Personnel costs of employees participating in activities during work hours	21,427
Costs for using the Group company's facilities	3,899
<b>Total</b>	<b>1,461,651</b>

### Social contribution activities cost in the fiscal year ending February 28, 2021



\* The total accounts for the cost of Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, 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.

## Overseas Initiatives

### Business Operations in North America

Seven & i Holdings operates convenience stores in North America.



#### 7-Eleven, Inc. >

Net sales: ¥3,407,130 million (Total store sales)  
Number of stores: 9,884



#### SEVEN-ELEVEN HAWAII, INC. >

Net sales: ¥32,453 million  
Number of stores: 65

\* Exchange rate USD1 = ¥106.76

\* Number of stores as of December 31, 2020

### Initiatives in China

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

#### Convenience Store Business >



#### SEVEN-ELEVEN (BEIJING)

Net sales: ¥21,111 million  
Number of stores: 283  
Established: January 2004



#### SEVEN-ELEVEN (TIANJIN)

Net sales: ¥3,404 million  
Number of stores: 179  
Established: November 2012



#### SEVEN-ELEVEN (CHENGDU)

Net sales: ¥3,688 million  
Number of stores: 73  
Established: December 2010

## Superstore Business >



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

Net sales: ¥64,305 million  
Number of stores: 9  
Established: December 1996



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

Net sales: ¥5,096 million  
Number of stores: 1  
Established: September 1997

- \* Exchange rate of CNY1 = ¥15.48
- \* Net sales does not include value added tax
- \* Number of stores as of December 31, 2020



### Reducing Environmental Impact

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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 FY2020, the company continued to make progress by implementing sustainability measures that focus on energy conservation and efficiency and setting a new CO2 goal.

#### [Environmental Goal]

Reduce CO2 emissions from stores by 50% by 2030 (FY2013 baseline)



### Collaboration with External Organizations

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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 CO2e Emissions

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SEI is committed to reducing energy consumption and improving efficiency and set a goal to reduce CO2e emissions from stores by 50% by 2030, compared with FY2013 levels. In FY2020, through its energy efficient measures, SEI reduced its CO2e emissions by 60,088 MTCO2e year over year from FY2019 and by 240,647 MTCO2e from FY2013. SEI reduced CO2e emissions by 24 % from FY2013 to FY2020. This is equivalent to greenhouse gas emissions from approximately 52,336 passenger vehicles for one year.

### Use of Low Global Warming Potential Refrigerant

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SEI has adopted 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.

### LED Lighting

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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 CO2 reduction goal. In FY2020, the company installed LED lighting in 463 stores. As of December 31, 2020, 7,465 stores feature LED lighting in the U.S. and Canada. 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(HVAC)

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Heating and cooling efficiency is another effective measure SEI implements to decrease its overall energy consumption. In FY2020, SEI installed 352 energy-efficient HVAC units contributing to its store energy saving efforts. Between FY2008 and FY2020, 10,352 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(EMS)

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 FY2020, the company installed EMS in 307 stores. Currently, 6,831 stores have EMS installed, enabling stores to achieve an estimated energy savings effect of 16,323 kWh per store, per year.

## Expanding Renewable Energy

While maintaining the company's commitment to energy conservation projects, SEI is also focused on expanding its renewable energy initiative. 14% of electricity consumed by SEI is from renewable sources.

SEI has 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 FY2020, SEI purchased 291,531 MWh renewable energy from TXU Energy and provided it to more than 860 stores in Texas. This wind energy program reduced SEI's carbon footprint by an estimated 14% while providing significant operating expense savings.

In FY2020 SEI also subscribed to a program to procure renewable energy for its Florida stores by utilizing large-sized solar power generation facilities developed, or currently under development, by two utility companies. (Florida Power and Light and Duke Energy) In SEI's plan, the amount of procured renewable energy can cover 90% of the total electric power needed in 652 stores once all solar sites are developed. Beginning in 2021, SEI will be able to procure about 88 GWh of renewable energy generated by solar panels, increasing to 175 GWh by 2024.



Wind turbines in Texas



Large-sized solar power generation facility in Florida

### What is Community Solar?

Utility sponsored community solar is different from on-site solar where solar panels are installed directly on houses/buildings to generate power. It refers to local solar facilities developed and owned by the utility which are shared by multiple community subscribers who receive credit on their electricity bills for their share of the power produced.

### Procuring Renewable Energy from a Pumped Hydro Storage Facility

In FY2020, SEI began procuring renewable energy from a pumped hydro storage facility for its stores in Virginia. The amount purchased was 23,836 MWh and powered the load for more than 140 stores.



## Electric Vehicle Charging Stations

Electric vehicle fast chargers provide added convenience for electric-vehicle drivers and cleaner air for the surrounding community. In FY2020, SEI expanded its electric-vehicle (EV) charging station footprint in the United States that it owns and operates under the 7-Eleven brand by installing 13 fast-charging ports at four 7-Eleven California stores in Davis, Fresno, Tracy and West Sacramento. The ports can deliver up to an 80% charge in about 30 minutes.

SEI partnered with Pacific Gas & Electric (PG&E) and ChargePoint for the installations. Through its EV Fast Charge program, PG&E 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 40,000 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. Between FY2011 and FY2020, SEI has installed a total of 27 EV chargers at 16 locations in California, Illinois, New York and Oregon.



Electric-vehicle (EV) charging stations

## Conserving a Natural Resource

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.

### Environmental Data Associated with Store Operations

	FY2018	FY2019	FY2020
Number of stores within scope <sup>*1</sup>	9,389	9,149	9,387
GHG emissions <sup>*2</sup> (market-based) (1,000 t-CO <sub>2e</sub> )	961	819	759
CO <sub>2</sub> emissions <sup>*2,3</sup> (market-based) (1,000 t-CO <sub>2</sub> )	959	817	755
Electricity consumption <sup>*2</sup> (GWh)	2,383	2,306	2,306
Water usage <sup>*2</sup> (1,000 m <sup>3</sup> )	11,365	10,892	10,637

\*1 Number of stores covered within scope of CO<sub>2</sub> verification (excluding stores operated by domestic licensees of 7-Eleven, Inc.)

\*2 Calculations are based on estimated electricity consumption for stores where data was not available.

\*3 Verified 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】

Shift to eco-friendly packaging for 50% of Private Brand products by 2030

Through its proprietary products, SEI seeks to offer premium products at a value while switching to environmentally-friendly packaging. 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.

## FY2020 Key Initiatives

### Using Plant-based Materials for Straws

To reduce plastic use and appeal to eco-conscious consumers, in FY2020 SEI continued use of its plant-based plastic, eco-friendly fountain straw for cold dispensed beverages.

SEI's 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. By switching to the PLA straw, SEI reduced 1 million lbs. of plastic straws per year. 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

After a successful test period in 2019, SEI's new eco-friendly plastic bag made from 40% post-consumer recycled plastic was approved for national rollout in 2020. 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. By switching to the 40% recycled plastic bag, SEI eliminated 573 tons of virgin plastic in 2020.



A plastic bag using 40% recycled plastic

## Increasing Post-Consumer Recycled Content

Furthering its efforts to use recycled material, in FY2020 SEI redesigned its fruit and salad containers to increase the use of Post-Consumer Recycled (PCR) plastic. Both packages now contain 15% PCR. Using PCR packaging materials reduces waste and carbon emissions as compared to using virgin plastics. SEI will continue to evaluate additional opportunities to increase PCR in packaging.

## Eliminating Plastic

Seeking continuous improvements in packaging led to additional progress in eliminating or reducing plastic. SEI replaced its fresh food platter base with a lightweight paper corrugate alternative. In addition, the plastic lid for the platter was reduced in size.

## Reducing Packaging Materials

In FY2020 SEI switched its hot dog box from kraft paperboard to thermo-mechanical pulp (TMP) board to reduce the volume of paper used. TMP-based paper can be produced using only 50% of the wood content of traditional kraft pulp paper.



TMP-based paper package

## Removing Harmful Materials

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 2020 SEI continued to expand its sustainably-sourced coffee program by adding a new Rainforest Alliance™-Certified variety — Seven Reserve® Kenya. More than half of coffee beans are Rainforest alliance certified.

- \* 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™ Kenya

Seven Reserve™ Kenya is a single-origin coffee cultivated on six independent family farms that have operated for generations in the foothills of Mount Kenya north of Nairobi. It is SEI's eighth brew to carry the Rainforest Alliance Certified™ seal. 7 Eleven continues to grow its portfolio of sustainable coffees, which now account for as much as half of its green coffee purchases. Since 2016, 7 Eleven has introduced Rainforest Alliance Certified™ coffees from El Salvador, Nicaragua, Mexico, Peru, Sumatra, Colombia, as well as an African blend from Ethiopia and Rwanda, all responsibly grown. Single-origin 100 percent Colombian Rainforest Alliance Certified™ coffee is now a permanent offering and top-seller on the hot beverage bar.



Seven Reserve™ Kenya

## Supporting Local Communities (U.S. & Canada)

As the premier leader in convenience, 7 Eleven is uniquely positioned to make a meaningful difference in the communities it serves. In 2020, SEI continued its mission to strengthen communities through signature outreach programs and by stepping up support during the COVID-19 pandemic with vital supplies and aid. From COVID-19 relief and disaster assistance to ongoing grassroots outreach, Team 7-Eleven and Franchisees worked with a variety of national and community organizations to provide support where it's needed most, while also ensuring that 7-Eleven® stores continue to provide customers what they need when they need it.



## Providing Vital Support, Supplies and Aid During COVID-19

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During an unprecedented pandemic, 7-Eleven Donated more than 1 million masks to FEMA and donated 1.25 million masks and nearly 50,000 bottles of hand sanitizer to schools across Canada. In addition, to support frontline healthcare workers and patient families during the COVID-19 pandemic, 7-Eleven opened its first-ever hospital pop-up store at Children's Medical Center Dallas, the flagship hospital of Children's Health<sup>SM</sup>. The store provided access to food and essential items for health care workers and patient families during the COVID-19 health crisis. The pop-up store features grocery and personal care products such as take-home dairy, paper towels, toilet paper, laundry detergent, and phone chargers as well as an assortment of fresh food options including salads, heat-and-eat entrees and take-and-heat pizza and wings. SEI also assisted 7-Eleven® stores near two other hospitals in the Children's Health system, Children's Medical Center Plano and Our Children's House in Dallas, to have the products needed to serve health care workers at each of these locations.



## Fighting Hunger

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With the average number of food bank visitors up an estimated 60 percent in 2020 due to the COVID-19 pandemic, 7-Eleven doubled down on its commitment to hunger relief through a variety of grants, product donations and fundraising programs in partnership with Feeding America® and Food Banks of Canada®. Highlights include:

- Donated \$100,000 to Feeding America in honor of 7-Eleven's 93rd birthday on July 11\*
- Contributed \$1.2 million in 7-Select Go!Smart™ Organic Cold-Pressed Juices distributed to 21 food banks in 13 states
- Franchisees and store associates, 7-Eleven contributed an additional \$1 million to Feeding America through a number of in-store campaigns in 2020. This donation will help provide at least 10 million meals for families in need across the country.\*
- Distributed 500,000+ bags of 7-Select Loco Roller snacks valued at nearly \$425,000 to member food banks.
- 7-Eleven Canada and its customers donated more than 350,000 meals in 2020 to Food Banks Canada.

\*\$1 helps provide at least 10 meals secured by Feeding America on behalf of local member food banks



## Supporting Communities During Disaster Relief

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Each year, the Red Cross responds to more than 60,000 disasters — including home fires, hurricanes, floods, earthquakes, tornadoes and wildfires. In 2020, SEI continued its support of the American Red Cross by renewing its annual membership in the American Red Cross Disaster Responder Program. SEI contributed \$250,000 to help the Red Cross provide food, emergency shelter, relief supplies and comfort to people affected by disasters like hurricanes, tornadoes, wildfires and countless other crises. As a Disaster Responder Program member, SEI's year-round commitment in advance of disasters helped prepare communities for disasters big and small and ensure the Red Cross could mobilize and respond immediately following disasters throughout the year.



## 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 FY2020, SEI and its franchisees gave more than \$170,000 in grants to community organizations through Project A-Game, impacting 72,500 youth. Since its inception, SEI and its franchisees have awarded more than 4,850 grants, a community investment of \$3.1 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.





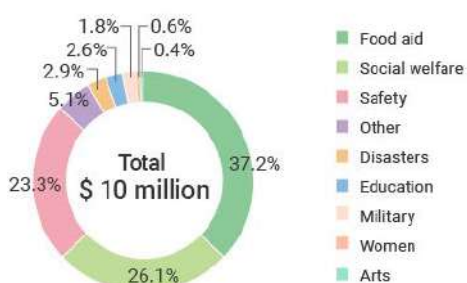
## Encouraging Positive Behavior

For a quarter-century, Operation Chill®, 7-Eleven, Inc.'s longest-running community service program, gives local law enforcement an opportunity to make a positive connection with kids through free Slurpee® drink coupons. Each year, SEI donates thousands of free Slurpee drink coupons to local law enforcement departments across the United States and Canada to reward children for observing safety rules, participating in positive activities, performing good deeds or acts of kindness. In addition to encouraging positive behaviors, Operation Chill provides opportunities for officers to establish a connection with kids in a neighborhood.

Each Operation Chill® coupon is good for a free small Slurpee® drink redeemable at 7-Eleven stores. During 2020, SEI issued over 1.5 million Slurpee drink coupons to more than 1,150 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 23 million coupons have been distributed to officers on the beat in cities and towns where SEI operates stores.



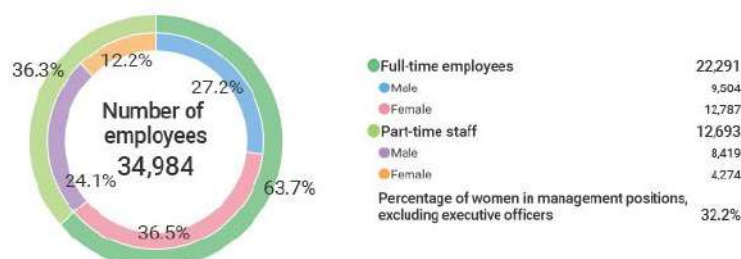
Social contribution activities cost in the U.S. and Canada (FY2020)



## Our Commitment to a Diversity and Inclusion

7-Eleven is an integral part of the diverse neighborhoods we serve. Our business model is based on the empowerment and success of small business entrepreneurs regardless of race, gender or background. To ensure an inclusive customer experience and workplace, we encourage Franchisees and team members to bring their unique perspectives, talents and contributions to work every day. We strive for equality and are committed to doing even more — because we know it's the only way we can continue to grow and innovate, both as a brand and as a society. In 2020, we created our Equality & Diversity Task Force and Roundtable. This dedicated team of leaders representing different areas within 7-Eleven is actively engaged in identifying ways to promote fairness across the organization so we can make an even greater impact in the communities we serve.

Personnel data in the U.S. and Canada  
(as of the end of December, 2020)



## SEVEN-ELEVEN HAWAII, INC.

In March 2016, SEVEN-ELEVEN HAWAII, INC. (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.

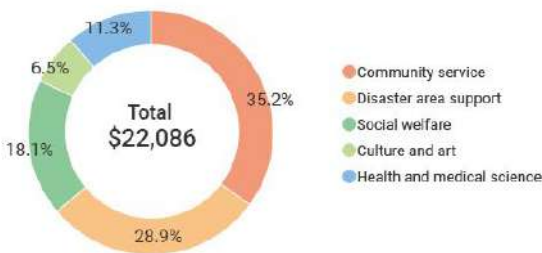
These values define SEH as a business for the community, for partners and for employees. The practice of Our Promise then becomes the cornerstone for the words and actions of employees.



### Thriving with Local Communities

As a good corporate citizen, SEH supports activities and NPOs involved with children, education, public welfare, and health. In FY 2020, the equivalent of approximately \$49,000 in support was provided to 33 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 (FY2020)



### 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 FY2020, approximately \$106,878 were donated.

## Recognizing Hawaii's First Responders During the Pandemic

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Healthcare workers, first responders and volunteers have been working tirelessly to preserve the health and safety of the community. In April of 2020, we at 7-Eleven Hawaii made several donations to convey our appreciation for their service and sacrifice.

Folks at Queen's Hospital and Straub Hospital received single serve snacks. We wanted to give them a boost of energy to help them get through their shifts. Both hospitals were very thankful for the donation. They were grateful that we thought of them.

Donations were also given to the Honolulu Police Department. Some of our private label snacks were delivered to the Kalihi neighborhood precinct. While the main headquarters received 1,450 N90 masks to protect them while they protect us.

## Sponsoring Health Conscious Culinary Competition for Students

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On December 4, 2020, 7-Eleven Hawaii along with the University of Hawai'i held its 3rd annual culinary competition.

Students had to create a better-for-you bento or entrée that is also a comfort dish. The criteria was slightly different from years past. This competition focused on fiber. Each recipe had to contain at least 5 grams of fiber – a requirement that turned out to be a bit of a challenge. There were more than one dozen entries with eight moving onto the final round. Recipes reflected Hawai'i's melting pot of cultures with dishes inspired by Japan, the Philippines, Mexico, China and more. Students infused their personal stories into their recipes. Owen Saito was inspired by his apprenticeship in Japan with his Ginger Miso Salmon Bento. Kaleb Molina is of many ethnicities, which were reflected in his entry, Kalua Pork Hash Patties with Kim Chee Fried Rice Bento.

The judges (from 7-Eleven Hawaii and Warabeya USA) had a tough time deciding the first-place winner. They ultimately decided to award first place to two students. Eri Abe won with her Wafu 'Ulu Stew Bento inspired by a Japanese dish called Nikujaga. Commonly made with potatoes, she used locally grown 'ulu (breadfruit) in her recipe. Tied for first was Jeongyeon Shim with her Tteokbokki – Spicy Rice Cake Stir Fry. Shim was inspired by a common comfort dish found in South Korea. Socorro Jiho was the runner-up. Jiho created Bistec A La Mexicana con Arroz Primavera. It was a childhood rice dish that her grandmother would prepare for the family.

In recent years, more and more females have been making their mark in the culinary world – a predominantly male industry. This trend was definitely present in this competition with women winning all three places. Our customers are able to try the first-place dishes in 2021. Shim's comfort dish was introduced on June 15th. And Abe's Wafu 'Ulu Stew bento was just introduced on August 3rd.

## Hawaii's Community Coming Together for Fallen Officers

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Sunday, January 20, 2020 is a day that all of Hawai'i will never forget. That day, Officers Tiffany Enriquez and Kaulike Kalama were fatally shot, after responding to a 911 call. The community came together for their families – both officers were parents to young children. Several local financial institutions alongside the State of Hawai'i Organization of Police Officers helped set up the Officers Enriquez & Kalama Memorial Fund. For the month of February, 7-Eleven Hawai'i dedicated the change collected from all store donation canisters to that memorial fund. The community responded strongly. On average collections totaled \$7,000 per month. Our customers contributed a total of \$30,000. 7-Eleven Hawai'i donated an additional \$2,000. In Hawai'i, we see our police officers as family.

## Taking 7-Eleven Hawai'i into the Classroom

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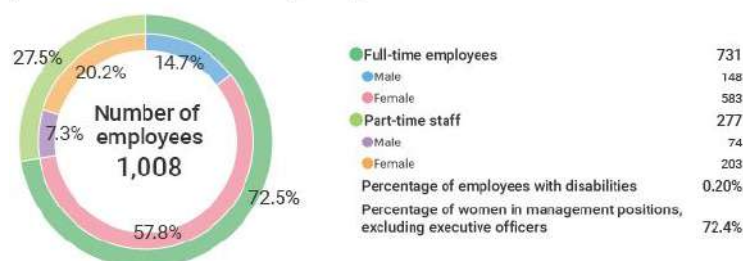
To help support culinary education, non-profit Hawaii Agriculture Foundation (HAF) connects local businesses with Hawaii's schools K - 12 through its Localicious campaign. This year, HAF paired 7-Eleven Hawaii with Ms. Anderson's 4th Grade class at Wahiawa Elementary. In February of 2020, Ms. Anderson contacted our Marketing Team to see if there was an opportunity for the Fresh Food Team to share how food goes from farm to store. We were excited about her request and quickly agreed to present to her students.

The presentation took place in one of the classrooms on Thursday, March 12. That day, Debbie Lee Soon switched her Senior Category Manager hat with a teacher's hat. She was greeted by six enthusiastic 4th grade students. They were ready to learn from Ms. Lee Soon! Lee Soon's presentation was two-fold. First, she took the students on a Boost Bowl salad journey. She shared how the Boost Bowl went from a concept to being made available at our stores. After the storytelling, Lee Soon had them make their own mini Boost Bowl. Prior to assembly, she asked that they wash their hands and suit up just like an employee from Warabeya USA. After being properly dressed and sanitized, they each made their own salad to take home. The group had lots of fun learning from Lee Soon and they were eager to share their salads with their parents.

## 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 culture of the Hawaii state 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 the end of December, 2020)



## Reducing Environmental Impact

Aside from SEH's Energy Smart Program which is aimed at reducing energy consumption, they have also been focused on reducing plastic. In 2015, SEH replaced all plastic check out bags with paper bags. Moving into 2020, they converted their disposable plastic utensils, straws and coffee lids to PLA based alternatives. And plastic coffee stir sticks were changed to wood. Using 2013 as the base year, SEH's plastic reduction efforts resulted in a net CO2 emissions reduction of 238 metric tons. They will continue to focus on ways to further reduce plastic use.



Hot Beverage Island



Slurpee®

### Number of SEH Stores and Environmental Data Associated with Store Operations

	FY2017	FY2018	FY2019	FY2020	FY2021 target
Number of stores	64	64	66	65	65
Electricity consumption (MWh)	18,334	18,425	18,849	18,099	18,500
Water consumption (thousand m <sup>3</sup> )	47	51	50	51	50

## 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
- Hot Beverage plastic lids replaced with PLA based lids
- Hot Beverage plastic stir sticks are now made of wood

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

## Major Awards and Recognition in FY2020

Recognition or Award Name	Award Sponsor	Reason
1st place: Best Spam® Musubi 1st place: Best Convenience Store Finalist: Best Bento	Star Advertiser	Voting by readers
1st place: Best Musubi	Honolulu Magazine	Voting by readers
Finalist: Best Musubi	KITV4	Voting by viewers

## 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 reliability 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 factories producing only the Group's private-brand products by incorporating international food safety management systems and measures implemented at factories in Japan. Beijing Wang-Yang Foods and JEANAVICE factories, which are food manufacturing factories of SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (TIANJIN), obtained the "SC" food production license for chilled foods in January 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<sup>※1</sup> 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. In 2020, we enhanced our cooking facilities to improve quality and continue to provide new, never-seen-before products. 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. Chengdu Food Limited Company that supplies bread and sandwiches to SEVEN-ELEVEN (CHENGDU), mechanized the production process and product packaging for bread and sandwich bread in 2020, and is committed to continued improvements in quality.

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.

※ 1HACCP (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. SEVEN-ELEVEN (BEIJING) plans to start displaying calories on sandwiches and salads in the second half of FY2021. Further, we plan to release salads using plant meat.

Furthermore, SEVEN-ELEVEN (TIANJIN) sells 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 FY2020.



## Improving Customer Satisfaction

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) 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. Further, SEVEN-ELEVEN (TIANJIN) held a product exhibition in September 2019. At the exhibition, food tasting of new products and questionnaire surveys on future needs and so on were conducted to use for product development.

The three companies have been conducting training to further improve the customer service provided by employees. In FY 2019, SEVEN-ELEVEN (BEIJING) conducted customer service education targeting night-time responsible person at all stores, with local managers as instructors. 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 FY2020, SEVEN-ELEVEN (CHENGDU) has adopted a training program to improve the level of customer service. Trainers visit stores and evaluate employees' customer service levels and FF(Fast Food) sales response levels (with scores from 0 to 100), among other things, and stores with issues undergo focused training. In addition, improvement is being sought through implementation of TTT (Training the Trainer) sessions and through the entire cycle of providing feedback on evaluation and information sharing. In particular by setting a training manager for each individual store and sharing examples of excellent stores and methods of in-store education through the TTT sessions held on a monthly basis, in FY2020, the level of customer service at the time of check out at all stores improved, and fast food sales increased. At the end of 2020, we presented awards to five individuals who demonstrated excellent customer service, and to three outstanding stores.

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.



A TTT session at SEVEN-ELEVEN (CHENGDU)

## 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 Storefront Donations

SEVEN-ELEVEN (BEIJING) installed donation 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 FY2018, 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 FY2019, 50 employees conducted tree planting activities in the suburbs of Beijing, and a total of 100,996 yuan in FY2019 and 49,409.66 yuan in FY2020 was donated.

#### Donation amounts to Beijing Green Fund

FY2018	FY2019	FY2020
108,974 yuan	100,996 yuan	49,410 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)

FY2018	FY2019	FY2020
1,992 yuan	2,000 yuan	1,990 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 (FY2020)

	SEVEN-ELEVEN (BEIJING)	SEVEN-ELEVEN (TIANJIN)	SEVEN-ELEVEN (CHENGDU)
Full-time employees (Men/Women)	336(169/167)	158(51/107)	168(57/111)
Part-time staff	163	151	111
Percentage of employees with disabilities	3.02%	4.40%	1.43%

### Employee-Related Data (FY2019)

	SEVEN-ELEVEN (BEIJING)	SEVEN-ELEVEN (TIANJIN)	SEVEN-ELEVEN (CHENGDU)
Full-time employees (Men/Women)	491(246/245)	208(76/132)	232(85/147)
Part-time staff	774	97	296
Percentage of employees with disabilities	2.40%	2.30%	1.32%

## Support for Enhancing the Abilities of Employees

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 of 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 the product department and related divisions such as construction, human resources, and so on. SEVEN-ELEVEN (BEIJING) conducts training and tests for OFC-related knowledge at the level of store managers at training stores in order to shorten the training period for OFCs. In addition to acquisition of conventional knowledge, role-playing is also incorporated. In response to a management problem presented by the person playing the role of franchise store owner, the store manager in the role of an OFC provides on-site guidance. At the same time, the store manager goes around the store with experienced trainers and gains experience in existing OFC duties.

In FY2019, 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. Further, since March 2021, each department at the Head Office has been conducting intensive training every week. In order to enrich OFC's job knowledge, acquisition of knowledge about architecture, finance, products, and operations related to store guidance is ensured. In particular, it educates on how to solve problems and how to respond to franchise store owners who are in special situations. In addition, since the second half of 2020, it has been furthering presentation of issues at store manager meetings. SEVEN-ELEVEN (TIANJIN) aims to improve the ability to analyze, solve, and verify aspects of a problem through presentations on the main theme of unit control. It is promoting education in advance to nurture reliable OFCs who can provide smooth explanations to franchise store owners.

SEVEN-ELEVEN (CHENGDU) started a new training program for store managers in FY2018 to teach skills such as analysis of business figures and computer operations necessary for work. In FY2019, training such as numerical analysis, employment development, and store management was

conducted 12 times for 50 store managers. In FY2020, with the decrease in the number of directly managed stores, it shifted the focus of education to the selection of trainees and human resources, introduced the concept of “talent pool,” and focused on the development of talented employees with potential, with the aim of fostering highly skilled OFCs.

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.



Training session

## Programs to Raise Employee Motivation

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. Various initiatives are implemented to provide opportunities to raise employee motivation and resolve issues they may face in the workplace. For example, 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. Apart from this, it holds gatherings for employees after mandatory retirement to express our gratitude for working for the company for many years, and to express our spirit of “valuing our employees.”

### Examples of programs for raising employee motivation

- Operate a contact desk so that employees can consult with the company on issues
- Interviews with employees by human resources 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

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (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. For managers who conduct evaluation, education is carried out so that they can evaluate subordinates properly and

develop human resources.

In order to improve the evaluation system, SEVEN-ELEVEN (BEIJING) worked with external specialists to review the skill items necessary for each job. 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 FY2020, we implemented only annual evaluations and interviews due to the influence of COVID-19. We are conducting interviews focusing on key positions to gain an understanding of the problems faced by our employees, and implementing coordination of operations to meet the demands of the post-corona period.

In addition, at SEVEN-ELEVEN (TIANJIN), from the second half of FY2020, promotion criteria of directly managed stores were improved, written examinations + practical skills + comprehensive evaluation + interviews were conducted, and a system of fair and equal promotion based on score evaluation was realized.

SEVEN-ELEVEN (CHENGDU) changed its company structure and evaluation system in FY2019. Starting from FY2020, managers are evaluated and interviewed every quarter, while non-managers are evaluated monthly.

## 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 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 SEVEN-ELEVEN (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 FY2019, SEVEN-ELEVEN (TIANJIN) accepted 63 interns, of which 22 gained employment with the company. SEVEN-ELEVEN (CHENGDU) accepted 138 interns, with 18 of them becoming employees at the company in July 2019.

## Reducing Environmental Impact

The Chinese government has been putting great emphasis on climate change issues. In Beijing, companies with annual CO<sub>2</sub> emissions in excess of 5,000 tons are subject to upper limits on CO<sub>2</sub> 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 CO<sub>2</sub> 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)

	FY2016	FY2017	FY2018	FY2019	FY2020
Number of stores	219	247	266	275	283
Electricity consumption (MWh)	24,856	25,702	26,537	29,773	24,251
Water Consumption (1,000m <sup>3</sup> )	96	83	85	94	78

### SEVEN-ELEVEN (TIANJIN)

	FY2016	FY2017	FY2018	FY2019	FY2020
Number of stores	82	118	155	178	179
Electricity consumption (MWh)	7,027	10,077	14,814	20,051	17,552
Water Consumption (1,000 m <sup>3</sup> )	24	34	42	57	49

### SEVEN-ELEVEN (CHENGDU)

	FY2016	FY2017	FY2018	FY2019	FY2020
Number of stores	67	87	77	75	73
Electricity consumption (MWh)	6,031	7,892	11,137	9,720	7,631
Water Consumption (1,000 m <sup>3</sup> )	18	24	25	24	24



## Energy Conservation Measures at Stores

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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 employees' 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 Food Manufacturing Factories

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In order to avoid wasting resources, efforts are being made at Beijing Wang-Yang Foods, a food manufacturing 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.

## Chinese Superstore Business

### Message from the Chairperson

Ito-Yokado's business in China began with the opening of the Chunxi Store in Chengdu City in November 1997, and in 2021, we marked 24 years of business in Chengdu and Beijing. This success is due to the patronage of customers, support of 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 Creed of "trust and sincerity" and "customer first." Over the past 24 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."

Due to the COVID-19 pandemic, interest in safety and reliability is no longer limited to products themselves, centered on foodstuffs. Consumers have come to look at noncontact and other sales methods and to stringently watch employees' customer response. Young Chinese in their twenties and thirties, the so-called digital generation, have become the main players in consumption and now demand high-quality service, including fashion enabling them to express themselves, highly convenient services allowing them to use time effectively and leisure time for engaging in sports and other interests. To meet these needs, we endeavor to sell "看得見的放心" (visibly safe) food products with particular attention to safety and taste, to establish hygiene management systems in factories and production sites, to implement inspection systems, and to regularly check compliance with laws and regulations. In addition, we provide employees with education on such topics as hygiene standards, quality control, and safety-related laws and regulations. We are also making continuous efforts to create comfortable shopping environments in stores by creating child play areas, expanding rest areas, and improving restroom environments; we have restaurants available for use as community areas too. To realize such amenities, 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 making 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 will continue to implement measures to reduce CO2 emissions and curb environmental impact and to conduct volunteer activities targeting seniors and children.





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

Year	Event
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	approx. ¥64,300 million	approx. ¥5,100 million
Number of employees	2,795	191
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	Kazumi Kunimi	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	

\* Fiscal year ending December 31 (number of stores as of December 31, 2020; number of employees as of February 28, 2021)

\* Exchange rate of CNY1 = ¥15.48

\* 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 an index of the guidelines at the end of this report. The CSR report for FY2020 was published in June 2020, and it was distributed to attendees at the Sichuan Province CSR report presentation meeting and at meetings for the public, as well as being submitted to a CSR Report Conference held in Beijing by the China Federation of Industrial Economics.

## Promise to Customers



### Quality and Freshness Management

Amid a rise in public interest in the 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 797 employees of Chengdu Ito-Yokado and 60 employees of Hua Tang Yokado Commercial have acquired knowledge 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. The aim is to improve quality, and a representative from Head Office regularly visits stores to check that they are providing products that meet its 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 FY2020, Chengdu Ito-Yokado audited 39 business partners, and Hua Tang Yokado Commercial implemented audits of business partners 8 times. (To prevent the spread of COVID-19, the number of audits was fewer than in normal years.)

## Provision of Traceability Information

In 2013 Chengdu Ito-Yokado launched sales of “看得見的放心” food products, which are based on the same concept as the Traceable Fresh Foods with a Face of the Producer products dealt 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 FY2020 the company continued to handle “看得見的放心” products and newly developed 17 items in the series, including oranges (four types), watermelon, and pears for fruit, asparagus, carrots, and mushrooms for vegetables, and fresh eggs. These products are popular among customers, whose interest in food safety and reliability is rising.

As a management rule amid the COVID-19 pandemic, the city of Beijing made it obligatory to acquire proof of a negative PCR test when stocking imported frozen food products. In response to this tightening of quarantine inspection rules and sales rules, Hua Tang Yokado Commercial, as a model local enterprise, believes that the safety of customers comes first and thoroughly checks negative certificates. Furthermore, the company continues sales of “放心肉項目” meat products (reliable meat products), which enable customers to confirm the meat producer by using devices installed in sales areas.

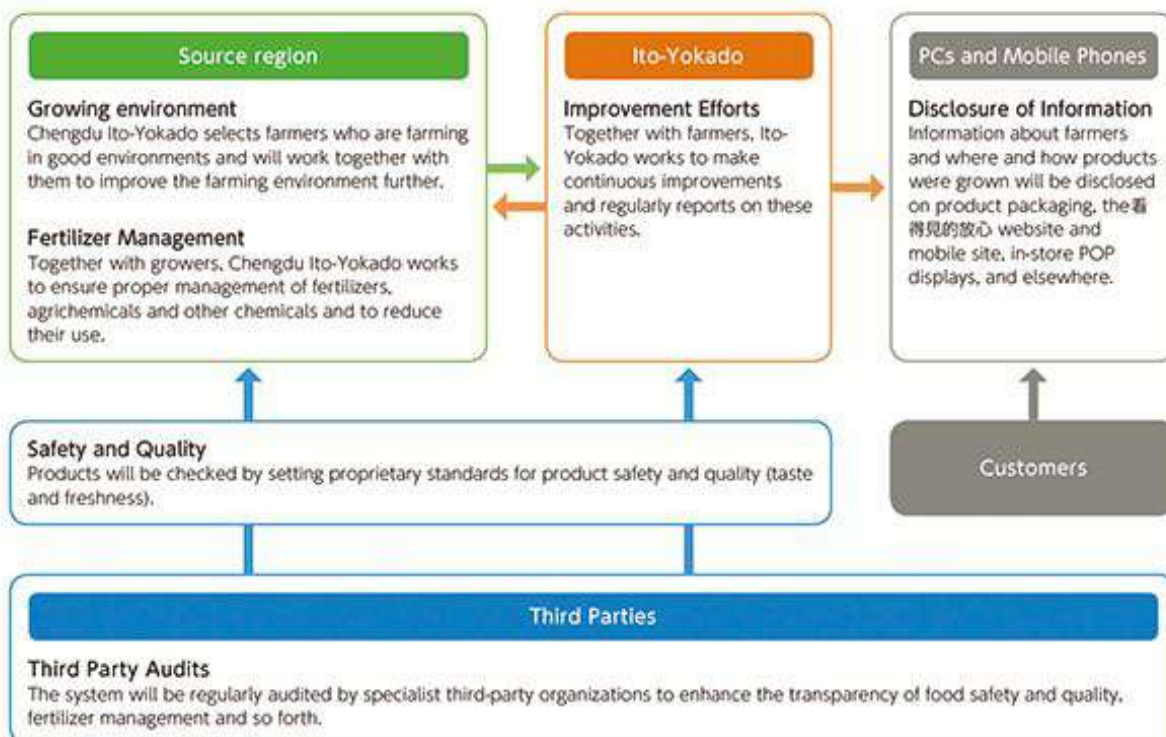


The “看得見的放心” brand logo



“看得見的放心” product display

### 看得見的放心 System



## Quality Supervision System and Meetings with Customers

Since 2008, Chengdu Ito-Yokado has appointed 10 customers at each store (5 customers each at Meishan Store and Huaifu Avenue Store) to act as quality supervision monitors to help improve its products and stores with the customers' standpoint. The quality supervision monitors 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 monitors 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 monitors, Chengdu Ito-Yokado asked for cooperation from 95 customers and received 871 opinions. Based on these opinions, it reviewed product volumes and took other steps to provide even better products. Other efforts included making home visits to 1,000 customers living in its stores' neighborhoods to ask their opinions. In March, June, and September it conducted customer satisfaction surveys, asking for opinions from 7,435 customers.

Chengdu Ito-Yokado and Hua Tang Yokado Commercial also collect opinions via the Internet, telephones, opinion boxes, and instore conversations. In FY2020, Chengdu Ito-Yokado received 19,101 opinions and Hua Tang Yokado Commercial received 6,845. 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.

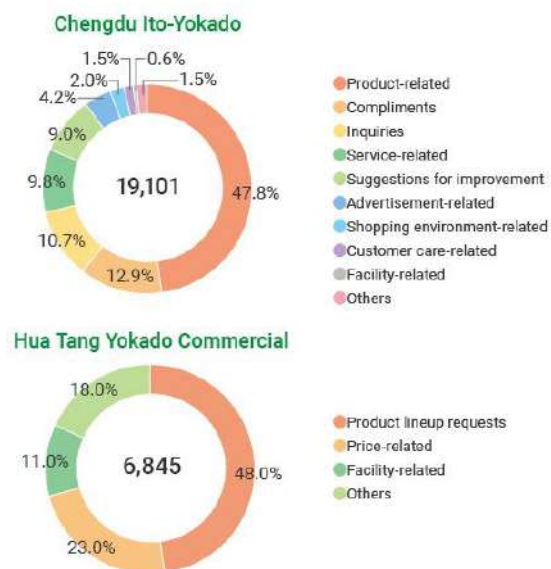


Sampling of seasonal food products



Cake-making event

### Breakdown of Customer Feedback





## Promise to the Local Community



### Donations and Stakeholder Engagement

Chengdu Ito-Yokado is involved in providing educational support and in assisting households in poverty. The company makes annual donations to Sichuan University; in 2020 it made donations on 23 occasions, and so far it has supported an aggregate total of 646 students. In FY2020, students studying Japanese at Sichuan University who achieved excellent results were given 72,000 yuan in scholarship, and 20,000 yuan was donated to the Department of Japanese. In addition, since 2007 Chengdu Ito-Yokado has targeted elementary schools for support, selecting four schools and making donations to improve school facilities and equipment for the purpose of assisting 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.

Amid the COVID-19 pandemic, the scheduled summer camp of Yu'ai Elementary School and school visits to make donations were cancelled in 2020. Instead, a donation of 50,000 yuan each to Chongzhou Dao Elementary School and Jintang San Elementary School was donated for improving reading room infrastructure, purchasing books, repairing doors and windows that posed a problem to safety, replacing curtains, and so on. In addition, 25,000 yuan was donated to Pengzhou Elementary School for the purchase of equipment for extracurricular activities. In December, uniforms were donated to educational personnel in the Pidu district of Chengdu to help improve their image. A total of 2,816,000 yuan was expended for social contribution activities in 2020.



Reading room at Chongzhou Dao Elementary School



New curtains at Jintang San Elementary School



Donation to Pengzhou Elementary School  
(equipment for extracurricular activities)

### Volunteer Activities

On the third Wednesday of every month, Chengdu Ito-Yokado employees at every store clean up the areas around the stores. The stores have also set up rest areas where external staff engaged in road cleaning can freely drink water.

Hua Tang Yokado Commercial conducts cleanup activities every day, with employees taking the lead to beautify the neighborhood.



Cleanup activities by employees



Rest area for the external staff engaged in road cleaning

## 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 rooted in the local community. At Chengdu Ito-Yokado and Hua Tang Yokado Commercial, Chinese store managers have been appointed. For the most part, local employees operate stores: the ratio of Chinese employees in management positions, excluding executives, is 99.1% at Chengdu Ito-Yokado and 98.3% 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, is 59.5% at Chengdu Ito-Yokado, with female store managers at four of its 10 stores, and 46.6% at Hua Tang Yokado Commercial.

### Employee Data (As of the end of December 2020)

	Chengdu Ito-Yokado	Hua Tang Yokado Commercial
No. of employees	2,924	199
No. of part-time employees	85	23
Ratio of Chinese employees in management positions	97.8%	96.7%
No. and ratio of women in management positions (excluding executives)	360 (59.5%)	54 (46.6%)
No. of female team leaders (ratio of female team leaders)	213 (59.1%)	13 (44.8%)
No. of female section managers (ratio of female section managers)	107 (29.7%)	26 (41.9%)
No. of female division managers (ratio of female division managers)	23 ( - %)	15 (60.0%)
No. of female corporate officers (ratio of female corporate officers)	4 ( - %)	0 (0.0%)
No. of employees with disabilities	51	10

### CSR Education

In FY2020, special attention was devoted to the reduction of plastics. In order to switch to degradable plastic shopping bags, responsible personnel from Chengdu Ito-Yokado attended the 21th IE Expo China, a trade fair for environmental technology, as well as a degradable forum organized by the China Chain Store & Franchise Association, to obtain information on such issues as the domestic production of degradable plastics and degradable standards. In addition, the company produced an educational video for internal use to deepen the understanding of employees and informed customers through posters displayed in stores and in-store broadcasts. Chengdu Ito-Yokado also actively publicized its use of degradable plastics outside the company.

In November 2020, Hua Tang Yokado Commercial and Chengdu Ito-Yokado jointly switched to shopping bags, called Super-Bags, made from degradable plastic. These degradable Super-Bags are provided at 2.0 yuan per bag, 6.7 times more than the previous shopping bags, which cost 0.3 yuan per bag for the largest size. At the same time, we are putting a lot of effort into the sale of eco-bags.

## Self-Recommendation Program

In the fiscal year ended February 29, 2016, Chengdu Ito-Yokado began operating a Self-Recommendation Program as a show of respect for the autonomy of employees in order to provide an outlet for their motivation. The program 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

Training programs have been enhanced to boost the motivation of local employees and enable them to demonstrate their abilities to the fullest. 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). It uses 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 the training, so they are able to learn directly from the instructor. It also holds 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.

In FY2020 Hua Tang Yokado Commercial implemented special education programs on such themes as the Corporate Creed and management philosophy, store assistance, and customer service on three occasions. By having everyone read together the Corporate Action Guidelines at the president's general meetings held every Monday, the company endeavors to increase understanding of its stance. Training related to everyday customer service is implemented using the morning and afternoon assembly. Staff who receive words of praise (including not only full-time employees but also part-time workers, tenant store employees, cleaners, and security guards) are commended at weekly store morning assemblies for all staff, which serves to raise overall motivation.



Customer-greeting training at a store's morning assembly for all staff (Hua Tang Yokado Commercial)



Lecture on the Corporate Creed and management philosophy (Hua Tang Yokado Commercial)

## Human Resource Development and Training

### Classroom Training

To pass on the Ito-Yokado ethos and foster human resources befitting Ito-Yokada, in 2020 we held classes on 523 occasions. These classes were divided into 11 subjects in accordance with the three themes of passing on Ito-Yokado's corporate culture and ethos, training to improve skills, and the strengthening of customer service. An aggregate total of 8,881 employees attended the classes. (Of them, the number of executives totaled 1,065 persons, and the number of employees who were promoted after receiving the training was 186 persons.)

\* Due to the need to prevent the spread of COVID-19, difficulties arose in the implementation of face-to-face education, job advertising for new employees, special knowledge training in collaboration with outside parties, and so on, and we had to revise frequency and number of classes.

### e-Learning

To respond to the needs of young employees, share company policy more efficiently, and develop human resources capable of working autonomously, we strengthened e-learning in 2020, implementing it 57 times in total. Course content, frequency of implementation, number of viewers, and number of views were as follows: corporate culture and company policy—18 times, 13,897 viewers, 166,764 views; skill improvement—39 times, 5,578 viewers, 83,382 views. The aggregate number of employees receiving correspondence education, including both stores and head office, totaled 13,897 persons (company employees and tenant store employees), and the number of views was 250,146.

## Promise Regarding the Environment



### Energy-Saving Initiatives

In 2020, the Chengdu municipal government proposed the creation of low-carbon scenes as a priority, and in June government officials conducted surveys of the Shuangnan Store, Jianshe Road Store, Jinhua Store, and High-tech Store. The data collected at each store was used as base data in preparation for the building of low-carbon commercial facilities in Chengdu. In December, Ito-Yokado stores were selected as low-carbon models, and we concluded a contract with the Chengdu municipality, promising to continue to expand the use of energy-saving equipment and reduce our environmental load.

Hua Tang Yokado Commercial, meanwhile, controls store temperatures through the rationalized operation of air-conditioning systems. By adjusting the operating time and area covered by air conditioners as necessary in response to weather and temperature changes, it reduces the consumption of gas and electricity. Hua Tang Yokado Commercial requests a facility management business to keep track of store temperatures carefully, so it can constantly detect temperature changes and adjust the operating modes of air-conditioning equipment accordingly.

#### Chengdu Ito-Yokado

	FY2018	FY2019	FY2020
Number of stores	8	9	9
Energy consumption (standard coal tons)	13,516	13,150	13,553
Electricity consumption (MWh)	89,743	99,836	105,439
Gas usage (1,000 m <sup>3</sup> )	670	667	540
Water usage (1,000m <sup>3</sup> )	884	853	888

#### Hua Tang Yokado Commercial

	FY2018	FY2019	FY2020
Number of stores	1	1	1
Energy consumption (standard coal tons)	1,434	1,549	1,434
Electricity consumption (MWh)	7,241	8,106	7,924
Gas usage (1,000 m <sup>3</sup> )	350	380	335
Water usage (1,000m <sup>3</sup> )	41	60	55

## Award History (FY2020)

Chengdu Ito-Yokado and Hua Tang Yokado Commercial received the following awards in FY2020 in recognition of their various initiatives.

### Chengdu Ito-Yokado

Names of Award	Presenting Organization
Sichuan Province Excellent Service Company	Sichuan Provincial Government
2020 Chengdu City Excellent COVID-19 Response Company	Chengdu Retailers' Association
2020 Chengdu City Leading COVID-19 Response Company	Chengdu Municipal Government
Outstanding COVID-19 Response Company	COVID-19 Prevention and Control Command
Wuhou District 100 Highest Corporate Taxpayers 2020	Wuhou District Government
Wuhou District Best 10 Commerce and Trade Companies 2020	Wuhou District Government
FY2020 Wuhou District Outstanding Corporate Taxpayer	Wuhou District Government
Wuhou District Priority Company 2020	Wuhou District Government
Best 10 Leader Companies 2020	Chengdu Retailers' Association
Social Value Contribution Award 2020	Chengdu Retailers' Association
Top Seller in National Chain Store Business Contest	China Chain Store & Franchise Association
Chengdu Best in a Million Employees Business Contest Award 2020	Chengdu Retailers' Association
West Triangle Corporate Social Responsibility Best Practices Award 2020	Fengmian Newspaper and the Research Center for Corporate Social Responsibility of the Chinese Academy of Social Sciences
CCFA Chain Store Brand Green Practice and Green Supply Chain Award 2020	China Chain Store & Franchise Association
Chengdu-Chongqing-Shuangcheng Economic Circle Brand Contest 2020: Innovative Brand	Fengmian Newspaper
Popular Chengdu Commerce Overall Evaluation 2020: Business Leader Award	Chengdu Shangqing Newspaper Agency
Chengdu's Contribution to Eradicating Poverty 2020: Chengdu Social Responsibility Contribution Award	Chengdu Daily Newspaper

### Hua Tang Yokado Commercial

Names of Award	Presenting Organization
FY2020 Class A Tax Payment Reliability Company	Chaoyang State Taxation Bureau
FY2020 Leading Companies with Safest Production Systems	Chaoyang District Xiaoguan Subdistrict
Certificate of Gratitude for COVID-19 Response from the Beijing Municipal Government	Commerce Bureau, Beijing Municipal Government

## External Recognition and Awards

### Major Recognition Regarding CSR (As of September 30, 2021)

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



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 constituent 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](#)



FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Seven & i Holdings has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

[The FTSE4Good Index Series](#)

[Further details about the FTSE4Good Index Series can be found here](#)



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 constituent of the index.

[FTSE Blossom Japan Index](#)

[Further details about the FTSE Blossom Japan Index can be found here](#)



MSCI ESG Leaders Indexes Constituent

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 CO<sub>2</sub> 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 28, 2021

Recognition or award name	Award sponsor	Reasons for recognition	Recipient
Energy Conservation Grand Prize 2021 Japan Chairman's Award of the Energy Conservation Center Inc.	Support: Ministry of Economy, Trade and Industry	Evaluation was conducted of awareness-raising activities and support activities to reduce negative environmental impact, such as promoting the introduction of energy-saving equipment at fresh food manufacturing factories nationwide.	Seven-Eleven Japan Nihon Delica Foods Association
Nikkei Excellent Products and Services Award 2020 Nikkei MJ Awards	Nikkei Inc.	While the number of opportunities for customers to join insurance decreased due to the COVID-19 pandemic, the "Cancer Insurance at 7-Eleven" was evaluated for its convenient application procedures including entering personal information necessary for registration at the store's multifunction copiers and payment of insurance premiums at the cash register.	Seven-Eleven Japan Mitsui Sumitomo Aioi Life Insurance
Mothers Selection Awards 2020	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 reliability, and the fact that they are delicious and easy for children to eat.	Seven-Eleven Japan

Recognition or award name	Award sponsor	Reasons for recognition	Recipient
Mothers Selection Awards 2020	General incorporated association Japan Mothers Association	The Ito-Yokado online supermarket was given this award for its 4-year delivery charge of ¥102 (tax included) on registration by presenting the maternity notebook, for offering choice of designated time slots, for offering delivery of heavy and large items, and for service with care.	Ito-Yokado
18th Corporate Philanthropy Award A Million Pairs of Shoes across the Sea Award	Incorporated public interest associations Japan Philanthropic Association	The “Children’s Shoes Trade-in Service” (Used children’s shoes donation program) that has been implemented together with customers since 2009 is expected to exceed a total of one million pairs during FY2020 , and has been evaluated as an activity that utilizes stores to create a place for awareness and participation, and serves as a bridge between children in Zambia and Japan.	Sogo & Seibu
Yokohama Climate Change Countermeasures Award (FY2021)	City of Yokohama	The City of Yokohama recognizes excellent business operators under its “Yokohama City Action Plan for Global Warming Countermeasures,” and the Sogo Yokohama store was highly evaluated for promoting illumination designs that improve the store image while achieving energy saving through the conversion to LEDs.	Sogo & Seibu
Newspaper Advertising Prizes 2020 Advertising Category, Newspaper Advertising Prizes Watashi wa Watashi (I am me). 2020	Nihon Shinbun Kyokai	The newspaper advertisement expresses the attitude of the company through the catchphrase, “Come, let’s turn it over,” and a message that enables a deeper understanding on the part of the reader , and encourages working employees and people in adversity. It was disseminated through SNS and online news and was highly evaluated for its actualization of effective use in other media.	Sogo & Seibu
FY2020 Youth Ale Certified Company	Minister of Health, Labour and Welfare	It was certified as a small-and-medium enterprise that actively recruits and nurtures young people and has excellent employment management.	Terube

Recognition or award name	Award sponsor	Reasons for recognition	Recipient
Mothers Selection Awards 2020	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 2020	Specified non-profit corporation KIDS DESIGN ASSOCIATION	The "Pramsuit Baby-friendly Specifications" received awards in the category for designs that facilitate childbirth and raising children in recognition of the new specifications developed according to the characteristics of nursing infants' sleeping postures. *Awarded for ten consecutive years (has received 26 awards in total)	Akachan Honpo

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

## Group Environmental Data

	Unit	FY2018	FY2019	FY2020
CO <sub>2</sub> emissions*1	t-CO <sub>2</sub>	3,241,084	2,975,951	2,768,932
scope 1	t-CO <sub>2</sub>	139,360	122,391	111,752
scope 2	t-CO <sub>2</sub>	3,110,724	2,853,560	2,657,180
Electricity consumption in store operations*2	GWh	7,125	6,979	6,806
Water usage in store operations*3	1,000m <sup>3</sup>	37,302	35,639	32,296

\*1 For FY2018 and FY2019, the data is the total for 12 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, SHELL GARDEN, Life Foods, IY Foods, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Food Systems, and 7-Eleven, Inc.

For FY2020, the data is the total for 15 companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, SHELL GARDEN, Life Foods, IY Foods, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Food Systems, Barneys Japan, Seven Bank, and 7-Eleven, Inc. (Sales of the 15 companies cover 98.1% of the Group's total sales.)

\*2 The data is the total for 19 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, 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), Chengdu Ito-Yokado, Hua Tang Yokado Commercial, SEVEN-ELEVEN(TIANJIN), and SEVEN-ELEVEN(CHENGDU). (Sales of the 19 companies cover 98.3% of the Group's total sales.)

\*3 The data is the total for 16 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, 7-Eleven, Inc., SEVEN-ELEVEN HAWAII, INC., SEVEN-ELEVEN(BEIJING), Chengdu Ito-Yokado, Hua Tang Yokado Commercial, SHELL GARDEN, THE LOFT, SEVEN-ELEVEN(TIANJIN), and SEVEN-ELEVEN(CHENGDU). (Sales of the 16 companies cover 97.7% of the Group's total sales.)

## Group Personnel Data (in Japan)\*1

Breakdown of number of employees (as of the end of February 2021) (persons)			
Full-time employees*2	24,189		
Male	17,562	73%	
Female	6,627	27%	
Part-time staff*3	43,691		
Male	8,870	20%	
Female	34,820	80%	
Number of employees (full-time employees + part-time staff)	67,880		
Male	26,432	39%	
Female	41,448	61%	
New graduate employees hired	779		
Male	428	55%	
Female	351	45%	
Mid-career employees hired	201		
Male	148	74%	
Female	53	26%	
Turnover (full-time employees)	1,188	5.0%	
Male	726	4.2%	
Female	462	6.8%	

	FY2018	FY2019	FY2020
Average length of service (full-time employees)	16 years 9 months	16 years 5 months	16 years 6 months
Male	18 years 0 month	17 years 5 months	17 years 3 months
Female	13 years 3 months	13 years 7 months	13 years 8 months
Number of full-time employees who took childcare leave (males), (part-time staff)*4	1,205 (35) (547)	1,198 (37) (601)	1,229 (41) (581)
Number of full-time employees who took nursing care leave (males), (part-time staff)*4	54 (5) (38)	53 (9) (33)	49 (4) (35)
Number of volunteer leave recipients	16	31	7
Percentage of female full-time employees	27.1%	27.2%	27.4%
Number of female managers (percentage)*5	2,545 (27.0%)	2,400 (26.6%)	2,246 (26.3%)
Team leader	1,828 (32.8%)	1,709 (32.4%)	1,571 (32.4%)
Section manager	644 (23.1%)	616 (22.3%)	599 (22.1%)
Division manager	73 (7.3%)	75 (7.6%)	76 (8.2%)
Corporate officer*6	22 (11.8%)	21 (11.2%)	24 (13.0%)
Percentage of employees with disabilities*7	2.84%	2.96%	2.95%
Percentage of paid leave taken	45.5%	49.2%	50.9%
Full-time employee turnover rate	4.9%	5.4%	5.0%
Male	4.1%	4.3%	4.2%
Female	6.9%	8.3%	6.8%

\*1 The data is the total for 8 companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, 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 The figure includes 1,406 persons reemployed after mandatory retirement.

\*3 Monthly average, with 8 hours/day counted as one employee. Including 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 The data is the total for 8 companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, and Seven Bank. The percentage of team leaders or higher positions, excluding corporate officers.

\*6 The percentage of female corporate officers is as of May 31 of the following fiscal year.

\*7 The percentage for the fiscal year is 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), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

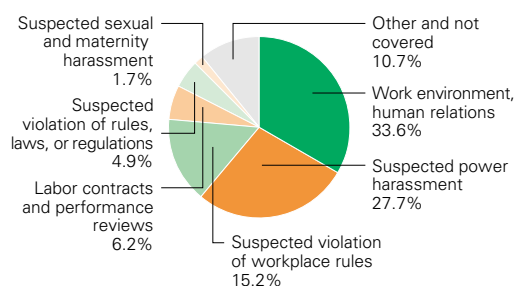
## Data from Groupwide Helplines for Employees

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

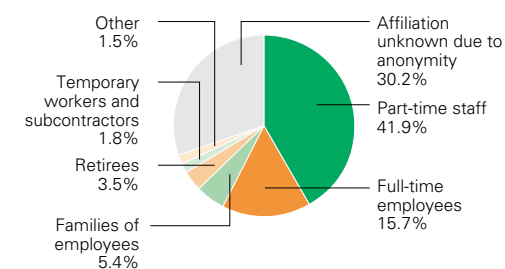
This system applies to both employees of Seven & i Holdings and those of consolidated subsidiaries in Japan. The group-wide system is working to proactively prevent, quickly discover, promptly correct and stop reoccurrences of any wrong behavior that would result in a loss of public trust.

	FY2018	FY2019	FY2020
Number of reports	1,226	1,208	1,144

Breakdown of reports by category for FY2020



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 28, 2021: 21,085

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

### FY2020 Targets/Results and FY2021 Targets

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

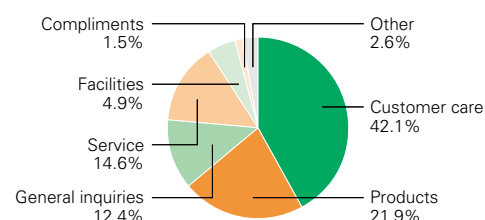
Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Supporting childcare and elderlies	<ul style="list-style-type: none"> <li>Cumulative number of mobile stores: 108</li> <li>Inspect and revise development area and concurrently expand new areas</li> </ul>	<ul style="list-style-type: none"> <li>Cumulative number of mobile stores: 107</li> <li>Also began operations in new areas (1 store in Mie Prefecture, 2 stores in Nara Prefecture)</li> </ul>	△	<ul style="list-style-type: none"> <li>Cumulative number of mobile stores: 115</li> <li>Survey viability of business continuity in areas and expand number of mobile stores</li> </ul>

## Providing Safety and Reliability through Products and Stores

### Data from Customer Support

The customer support is making strenuous efforts to more closely align itself with customer feedback. 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 to the top management and relevant departments to prevent similar issues from occurring.

Breakdown of inquiries by category for FY2020  
Inquiries received: 190,039  
(up 2.1% from the previous fiscal year)





**FY2020 Targets/Results and FY2021 Targets**

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>Continue to maintain certification of all daily foods manufacturing factories. Aim to further enhance the audit program and to construct a management framework equivalent to JFS-C standards</li> <li>Continue to acquire certification for all manufacturing factories of manufacturers of private-brand products (complete by the end of 2020)</li> </ul>	<ul style="list-style-type: none"> <li>Completed audits of all daily foods manufacturing factories to maintain their certification. Added top management commitment to the audit program</li> <li>Ratio of certification acquisition for manufacturing factories of manufacturers of private-brand products: 92%</li> </ul>	○  △	<ul style="list-style-type: none"> <li>Maintain NDF-FSMS certification for all daily foods manufacturing factories</li> <li>Aim to further develop the audit program</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: 650</li> </ul>	<ul style="list-style-type: none"> <li>Stores that newly adopted barrier-free design (installing wheelchair-accessible toilets): 272</li> <li>Number of stores to have newly installed or expand guard pipes to prevent vehicle "dive" accidents: 905</li> </ul>	×  ○	<ul style="list-style-type: none"> <li>Stores newly adopting barrier-free design (installing wheelchair-accessible toilets): 150</li> <li>Number of stores newly or additionally installed with guard pipes to prevent vehicle "dive" accidents: 200</li> </ul>
Responding sincerely to customers' opinions				
	<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>	<ul style="list-style-type: none"> <li>Incidences of customer service issues accompanying fee charging for plastic bags. Training and awareness raising implemented for franchise stores following comments from many customers, including on protocols for products with differing temperatures, liquid spillages, as well as who should pack customer-brought bags. Meanwhile, the attentiveness and friendly greetings of store employees have been praised or have fed into positive feedback</li> </ul>	△	<ul style="list-style-type: none"> <li>Analyze comments from customers about customer service and implement counselling at franchise stores. Improve on problematic areas through persons in charge of operations and the franchise store training section</li> <li>Reflect customer feedback which lead to improvements in products and customer service utilize as on-site initiatives to improve customer satisfaction levels</li> </ul>
Providing support for disasters				
	<ul style="list-style-type: none"> <li>Verify recent disaster response (Typhoon Faxai and Typhoon Hagibis) and implement review of business continuity plan 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>	<ul style="list-style-type: none"> <li>Dealt with Typhoon Haishen based on outcomes of disaster response training. Announced strategic business shutdowns two days before approach of the typhoon, and gave top priority to life-saving and safety of employees at franchise stores and in the supply chain</li> <li>In addition to providing beverages and light meals to hospitals and therapeutic facilities for mild sufferers during the COVID-19 pandemic, donated a total of 5,000 raincoats to be used as back-up medical gowns to medical associations in 5 prefectures in the Kansai region</li> <li>Delivered water and food supplies to local governments as relief efforts for torrential rainfalls in Kyushu in July 2020</li> <li>Extensively revised the business continuity plan in February 2021</li> </ul>	○	<ul style="list-style-type: none"> <li>Consolidate newly-drafted business continuity plan and improve internal capacities for disaster response through 2 rounds of disaster response training, and all-company disaster prevention and inspection day</li> <li>Implement an exchange of opinions with respective government agencies and local authorities regarding disaster response, and further strengthen collaborations</li> <li>Plan to implement appropriate community support in the event of large-scale disasters based on newly-drafted business continuity plan</li> </ul>
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> <li>Collaborate with prefectural police and local police stations to share information on training drills and other areas to achieve a franchise store participation rate for crime prevention drills and seminars of 50% or higher</li> </ul>	<ul style="list-style-type: none"> <li>Results of questionnaire for franchise stores indicated participation rate for drills and seminars of 31.6% (previously 35.2%). Devised plans for scale and methods of holding events (online, etc.) aligned with the COVID-19 pandemic</li> </ul>	×	<ul style="list-style-type: none"> <li>Aim to collaborate on information sharing with prefectural police and local police stations on training drills and other areas to achieve the franchise store participation rate for crime prevention drills and seminars of 50% or more</li> </ul>

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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Measuring appropriately the environmental impact				
	<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) compared to the previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>Reduced the number of items indicated by periodic ISO 14001 audits compared to the previous fiscal year (no unacceptable items detected)</li> </ul>	○	<ul style="list-style-type: none"> <li>Further cultivate the EMS operational framework and respective initiatives based on ISO 14001 and reduce the number of items pointed out (unacceptable items/improvement opportunities) compared to the previous fiscal year</li> </ul>
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>Introduce 2,800 eco-friendly vehicles (45.0% of total fleet)</li> <li>Demonstration trials to be conducted for EVs and FCVs</li> </ul>	<ul style="list-style-type: none"> <li>Introduced 3,900 eco-friendly vehicles (62.7% of total fleet)</li> <li>Implemented demonstration trials for EVs at Chilled Beihan(cooked rice) Okinawa Center and Chilled and Frozen Hino Center, and demonstration trials for FCVs at Chilled Yokohama Midori Center and Chilled Beihan Sano Center (delivery trucks for exclusive transport at chilled temperatures)</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Introduce 4,200 eco-friendly vehicles (67.0% of total fleet)</li> <li>Continue demonstration trials for EVs at Chilled Beihan(cooked rice) Okinawa Center and Chilled and Frozen Hino Center. Use FCVs to implement mixed loading of Chilled Beihan vehicles</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 the previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>Plastic bag turndown rate: about 75% (from June 2020 to February 2021)</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue efforts to reduce plastic bag usage by cooperation with franchise stores and customers as per the previous fiscal year</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>Annual number of employees who pass the Eco Test: 500 (100% of managers pass)</li> <li>Inform those who take the Eco Test about environment-related volunteer activities</li> <li>Conduct e-learning for all employees to raise environmental awareness</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in testing opportunities from twice-yearly to once-yearly due to the COVID-19 pandemic, with a total of 114 persons passing (100% of managers passed)</li> <li>Reduction in opportunities for volunteering due to the COVID-19 pandemic, meaning information could not be provided</li> <li>Implemented for all employees in June 2020</li> </ul>	<p>×</p> <p>△</p> <p>○</p>	<ul style="list-style-type: none"> <li>Annual number of employees who pass the Eco Test: 150 (100% of managers pass)</li> <li>Inform those who take the Eco Test about environment-related volunteer activities</li> <li>Conduct e-learning for all employees to raise environmental awareness</li> </ul>

### Environmental Data

	Unit	FY2018	FY2019	FY2020
CO <sub>2</sub> emissions <sup>*1*2*3</sup>	t-CO <sub>2</sub>	1,578,963	1,501,795	1,417,701
CO <sub>2</sub> emissions from store operations (per store) <sup>*1*3</sup>	t-CO <sub>2</sub>	1,350,259 (64.6)	1,281,810 (61.4)	1,198,890 (56.7)
CO <sub>2</sub> emissions from logistics (per store) <sup>*1*4</sup>	t-CO <sub>2</sub>	225,959 (10.8)	217,811 (10.4)	216,285 (10.2)
Electricity consumption in store operations (per store) <sup>*1*3</sup>	GWh (MWh)	2,888 (138)	2,874 (138)	2,795 (132)
Water usage in store operations <sup>*1*5</sup>	1,000m <sup>3</sup>	13,749	13,176	11,709
Plastic bag usage per store (by weight)	t	0.95	0.94	0.50
Waste disposal (recycling rate) <sup>*6</sup>	t (%)	366,920 (57.8)	384,028 (61.6)	352,541 (60.9)
Food waste recycling rate <sup>*7</sup>	%	54.4	42.5	46.6

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

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

\*5 Calculations are performed by estimating water usage for which meter reading data could be confirmed.

\*6 Waste disposal and recycling rate excluding food waste. Calculations are estimated by the amount of waste from 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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Development of human resources				
	<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>	<ul style="list-style-type: none"> <li>Established a monthly theme and implemented e-learning for all employees</li> <li>Implemented compliance-related e-learning lectures for employees working at stores twice a year (6 content topics each time)</li> <li>Implemented awareness raising during regular training</li> </ul>	<p>○</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Introduce an optional (voluntary) e-learning system. Provide content topics which allow wide-ranging knowledge acquisition rather than mandatory content only</li> <li>Redesign e-learning and regular training for employees working at stores and continue awareness raising and education</li> </ul>
Implementing fair assessment and treatment of employees				
	<ul style="list-style-type: none"> <li>In addition to revise the evaluation system partially to improve and instill the system, implement training and e-learning for further penetration and establishment of the system</li> </ul>	<ul style="list-style-type: none"> <li>Partially revised evaluation system for franchised store management and enhanced weighting of process evaluation. Implemented e-learning to deepen understanding of the system among both those responsible for and those subject to evaluation</li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>Revise the design and operation of the evaluation system to achieve high levels of on-site employee satisfaction. Continue to implement e-learning to deepen understanding of evaluation system</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>Introduce a working from home arrangement to promote more diverse workstyles</li> <li>Increase company scheduled holidays to better promote a rich work-life balance</li> </ul> <p>· Number of days of annual paid leave: 15.0 days/employee</p> <p>· Annual overtime hours: 270.4 hours/employee</p> <p>· Disseminate information on preventing workplace accidents in advance quarterly at safety and health committees</p>	<ul style="list-style-type: none"> <li>Introduced a working from home (WFH) arrangement and began operation. Drafted guidelines in line with operations</li> <li>Sent WFH ratios to each department manager while increasing the number of days on which WFH was permitted during the COVID-19 pandemic</li> </ul> <p>· Number of days of annual paid leave: 9.6 days/employee</p> <p>· Annual overtime hours: 265.1 hours/employee</p> <p>· Disseminated information on preventing workplace accidents in advance at safety and health committees</p>	<p>○</p> <p>△</p> <p>○</p>	<ul style="list-style-type: none"> <li>Expand scope of the working from home (WFH) arrangement. Consider introduction of allowances for out-of-office work, staggered work hours, and WFH toward providing the infrastructure for more comfortable work environments</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>Employment of people with disabilities                             <ul style="list-style-type: none"> <li>Percentage of employees with disabilities: 2.3%</li> <li>Counselor for people with disabilities: 99</li> <li>In-house job coach: 15</li> </ul> </li> <li>Strengthen support for employment stability of employees with disabilities</li> <li>Promotion of active participation of female employees                             <ul style="list-style-type: none"> <li>Percentage of female managers: 25%</li> <li>Percentage of female employees: 30%</li> </ul> </li> <li>Promote participation in career development training</li> <li>Launch an in-house community utilizing in-house online communication tools in order to support employees balancing childcare and work. Provide a platform for fellow workers striving for a work-life balance and senior employees to easily avail of consultation</li> </ul>	<ul style="list-style-type: none"> <li>Employment of people with disabilities                             <ul style="list-style-type: none"> <li>Percentage of employees with disabilities: 2.35%</li> <li>Counselor for people with disabilities: 90</li> <li>In-house job coach: 12</li> </ul> </li> <li>Employed a full-time supervisor with thorough knowledge of individual disabilities and consolidated the workplace environment</li> <li>Promotion of active participation of female employees                             <ul style="list-style-type: none"> <li>Percentage of female managers: 21.5%</li> <li>Percentage of female employees: 27.4%</li> </ul> </li> <li>Encouraged participation in career development training to support growth</li> <li>Launched an in-house community utilizing in-house online communication tools. Provided a platform to allow communication with fellow workers striving for a work-life balance</li> </ul>	<p>○</p> <p>△</p> <p>○</p>	<ul style="list-style-type: none"> <li>Employment of people with disabilities                             <ul style="list-style-type: none"> <li>Percentage of employees with disabilities: 2.40%</li> <li>Counselor for people with disabilities: 100</li> <li>In-house job coach: 14</li> </ul> </li> <li>Promote managers understanding by awareness raising activities</li> <li>Promotion of active participation of female employees                             <ul style="list-style-type: none"> <li>Percentage of female managers: 25.0%</li> </ul> </li> <li>Continue to encourage participation in career development training to support growth</li> <li>Draft guidelines on workstyles for persons working reduced hours (salespersons) and announce in-house</li> <li>Update the "Workstyle Reform Portal" on the Intranet as a platform for communication with fellow workers striving for a work-life balance</li> </ul>
Assuring occupational safety and health				
	<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. Reduce number of accidents in comparison with the previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>Implemented mental health training for assistant store managers and newly-appointed managers</li> <li>Continued to disseminate information on preventing workplace accidents in advance through the safety and health committees                             <ul style="list-style-type: none"> <li>Number of workplace accidents: 108 (78% of previous fiscal year)</li> <li>Number of commuting accidents: 26 (43% of previous fiscal year)</li> </ul> </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. Reduce number of accidents in comparison with the previous fiscal year</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2021)		(persons)
Full-time employees*1		8,900
	Male	6,504
	Female	2,396
Part-time staff*2		2,753
	Male	1,191
	Female	1,562
Number of employees (full-time employees + part-time staff)		11,653
	Male	7,695
	Female	3,958
New graduate employees hired		277
	Male	180
	Female	97
Mid-career employees hired		42
	Male	33
	Female	9

	FY2018	FY2019	FY2020
Average length of service (full-time employees)	9 years 0 month	9 years 10 months	10 years 8 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	316 (16, 2)	316 (20, 5)	341 (23, 1)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	8 (4, 0)	8 (3, 0)	5 (2, 0)
Number of volunteer leave recipients	0	7	0
Number of female managers (percentage)*4	247 (26.2%)	213 (21.7%)	211 (21.7%)
Section manager	240 (29.4%)	206 (24.7%)	201 (24.3%)
Division manager	7 (5.4%)	7 (4.7%)	10 (6.8%)
Corporate officer*5	4 (13.3%)	4 (14.8%)	4 (16.0%)
Percentage of employees with disabilities*6	2.30%	2.38%	2.35%
Percentage of paid leave taken by full-time employees	80.1%	74.4%	55.1%
Frequency rate of workplace accidents	0.53	0.54	0.72
Severity rate of workplace accidents	0.03	0.01	0.02

\*1 The figure includes 108 persons reemployed after mandatory retirement.

\*2 Monthly average, with 8 hours/day counted as one employee. Including 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 section managers or higher positions, excluding corporate officers.

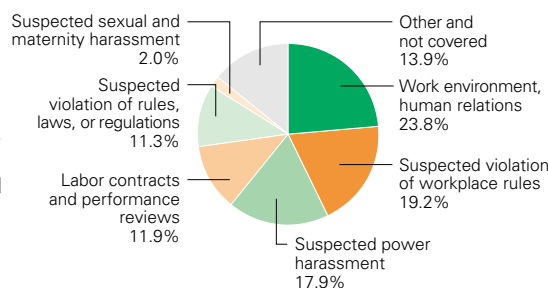
\*5 The percentage of female corporate officers is as of May 31 of the following fiscal year.

\*6 The percentage for the fiscal year is as of June 1 of the following fiscal year.

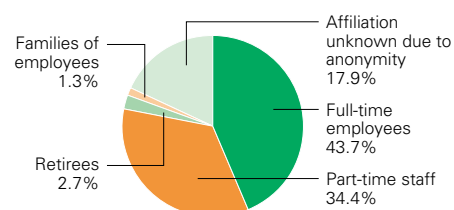
## Data from Helpline for Employees

We have disseminated information about the internal whistleblowing system to all employees through awareness surveys regarding the workplace environment and committees held at each district office. It is a system that aims to prevent violations, facilitate early detection and remediation, and avoid recurrence, while facilitating risk management and legal compliance as a company through the provision of appropriate responses. Training that aimed at preventing harassment was held specifically for executives and upper management employees in FY2020. This is complemented by awareness raising efforts to allow all employees to acquire knowledge and foster awareness using e-learning.

### Breakdown of reports by category for FY2020 Reports received: 151 (down 18.8% from the previous fiscal year)



### By user category



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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Offering eco-friendly products				
	<ul style="list-style-type: none"> <li>Reduce the use of plastic by 800 t annually by using paper containers for a part of chilled boxed 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>	<ul style="list-style-type: none"> <li>Reduced the use of plastic by 800 t annually by using paper containers for a portion of chilled boxed lunches</li> <li>Removed the middle plate in the container with a middle plate that are being used for box lunches and reduced plastic usage by 326 t annually</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Thinning of the layer of packaging film on hand-rolled rice balls, conversion of band-wrap film of lunch boxes to recycled PET bottles, and change of sandwich packaging, to help reduce petroleum-derived plastic usage by 1,000 t annually</li> </ul>

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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Expanding services as a form of social infrastructure				
	<ul style="list-style-type: none"> <li>Participation in local communities Enter into community revitalization comprehensive alliance agreement that will lead to revitalization of local communities and enhancement of resident services and reinforce collaboration with local government agencies. Use store infrastructure to undertake programs, such as support for the elderly and childcare and support for culture, art, and sports activities, and so on, to promote measures through core business Number of local governments with which new agreements will be concluded: 1 (total of 58 local governments)</li> </ul>	<ul style="list-style-type: none"> <li>New agreements with Ryugasaki City, Ibaraki Prefecture (total of 58 local governments)</li> </ul>	○	<ul style="list-style-type: none"> <li>Participation in local communities Number of local governments with which new agreements will be concluded: 3 (total of 61 local governments)</li> </ul>
Measures to support the elderly				
	<ul style="list-style-type: none"> <li>Training dementia supporters Train dementia supporters by conducting training courses taught by in-house instructors and courses in collaboration with local communities such as regional comprehensive support centers. The target is for all employees to take these courses</li> </ul>	<ul style="list-style-type: none"> <li>Due to effects of the COVID-19 pandemic, only 448 persons took courses (34.6% of the 1,295 persons who took courses in the previous fiscal year). The total number of course takers reached 10,150 (accounting for 32.2% of all employees)</li> </ul>	×	<ul style="list-style-type: none"> <li>Number of training course takers: 2,640 Total number of course takers: 12,000 (accounting for 38.1% of all employees)</li> </ul>
Child-rearing support activities				
	<ul style="list-style-type: none"> <li>Maternal and child care counseling service Free child care counseling by midwives and healthcare nurses organized 5,500 times/year at 107 stores. Respond to 220,000 inquiries, the same as in FY2020</li> </ul>	<ul style="list-style-type: none"> <li>Free child care counseling organized 4,227 times/year at 105 stores Responded to 110,000 inquiries (down 50% compared to the previous year) *As a result of the declaration of state of emergency in response to the spread of COVID-19, maternal and child care counseling services were suspended at 78 stores from April to June 2020</li> </ul>	—	<ul style="list-style-type: none"> <li>Free child care counseling organized 5,400 times/year at 105 stores. Respond to 220,000 inquiries, the same as in FY2020</li> </ul>
For greater shopping convenience				
	—	—		<ul style="list-style-type: none"> <li>Online supermarket delivery business Achieve “always available and ready for pickup” · Expansion of pickup sites Enable pickup at all 109 stores with online supermarkets · Installation of three-temperature lockers Add 5 new sites to the 13 existing sites (7-Eleven 3 stores, nursery school 1, and Ito-Yokado 1 store)  · Installation of pick-up lockers at 7-Eleven stores Testing at 5 stores is scheduled to start in August 2021  · Expansion of pickup methods Implement non-contact delivery services at all 109 stores Conduct trials at the Nishinippori online supermarket of a drop-off service that does not require customers to be at home and expand to 8 stores in FY2021  · Launch a regular delivery service that does not require customers to be at home Testing at the Nishinippori online supermarket started in July 2021 and implementing stores will be expanded in FY2022  · Total number of users of the online supermarket delivery service (UU): 190,000 (170,000 in FY2019)</li> </ul>

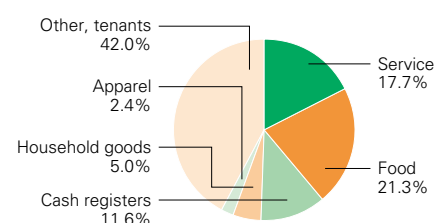
For greater shopping convenience			
	<ul style="list-style-type: none"> <li>Launch the Tokushimaru mobile supermarket (mobile sales trucks) Support provided to citizens not covered by online shopping and online supermarket, fulfilling the function as community lifeline Planned business start: 26 trucks from 25 stores</li> </ul>	<ul style="list-style-type: none"> <li>Business was steadily launched in response to the need for non-contact services during the COVID-19 pandemic. Watch-over activities were also conducted in some areas from the perspective of strengthening collaboration with local communities Business start: 27 trucks from 25 stores</li> </ul>	<p>○</p> <ul style="list-style-type: none"> <li>Provide a place to shop for elderly people who have difficulty doing their daily shopping. Also, provide safe and secure shopping methods that avoid the three Cs (closed spaces, crowded places, close contact) as a preventive measure against COVID-19. Since shopping can be done face-to-face, it will also perform a watch-over function and seeks to build community networks. The number of sole proprietors will be increased to continue business. Planned business start: 48 trucks from 48 stores (Total number of 76 trucks from 73 stores) The number of sole proprietors: Increase by 6 (Total number of 12)</li> </ul>

## Providing Safety and Reliability through Products and Stores

### Data from Customer Support

The number of inquiries received from customers increased slightly, up 1% from the previous fiscal year, due in part to inquiries regarding countermeasures against COVID-19. However, customer complaints regarding service, which accounted for roughly 21% of inquiries in the previous fiscal year, decreased to about 18% (down 20%). To address customer dissatisfaction, we will analyze the causes of complaints and take steps to prevent reoccurrence.

**Breakdown of inquiries by category for FY2020**  
Inquiries received: 45,035  
(up 1.3% from the previous fiscal year)





**FY2020 Targets/Results and FY2021 Targets**

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>Number of complaints regarding food items: 20% decrease over previous fiscal year</li> <li>Reduce freshness problems regarding vegetables &amp; fruits</li> </ul>	<ul style="list-style-type: none"> <li>9,605 (1% increase over previous fiscal year)</li> <li>Occurrence of freshness problems regarding food items including vegetables &amp; fruits: 6,446 incidents (flat from the previous fiscal year)</li> </ul>	<ul style="list-style-type: none"> <li>×</li> <li>×</li> </ul>	<ul style="list-style-type: none"> <li>Since the target for the previous fiscal year was not achieved, the 20% reduction target is the same with FY2020</li> <li>The Vegetables &amp; Fruits Department is set as a focused department, and "fruit" is a focused category to reduce food item freshness problems by 20% from the previous fiscal year</li> </ul>
Responding sincerely to customers' opinions				
	<ul style="list-style-type: none"> <li>Attention to requests and issues pointed out by customers for concrete improvement measures that draw repeat store visits</li> <li>Further promote the visualization of data from customers' opinions and share information with relevant departments</li> <li>Number of complaints regarding customer service: 20% reduction over previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>There were no instances of significant problems</li> <li>Progress was made in the quantization and visualization of data and in results reports</li> <li>Complaints regarding customer service did not decline 20% (overall, service complaints were down 20% from the previous fiscal year)</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>△</li> <li>△</li> </ul>	<ul style="list-style-type: none"> <li>Promote to implement COVID-19 countermeasures with emphasis</li> <li>Investigation of the use of AI and IoT Preparations for launch in FY2022 (automated conversation programs (chat bots), interactive voice response systems (IVR), etc.)</li> <li>Priority implementation of measures to make improvement regarding complaints about customer service, which have a strong human element</li> <li>Number of complaints regarding customer service: 20% reduction over previous year</li> </ul>
Understanding customer needs				
	—	—	—	<ul style="list-style-type: none"> <li>Expansion of in-store surveys by lifestyle advisors</li> <li>Share opinions gathered from customers through in-store surveys conducted on a weekly basis with relevant departments</li> <li>Expand the number of stores where surveys are conducted to 15 in FY2021 (surveys were conducted in 10 stores in the previous fiscal year)</li> </ul>
Providing products and services that contribute to customer health				
	—	—	—	<ul style="list-style-type: none"> <li>Develop boxed lunches with consideration for health including low-sodium and low-calorie options. Expand sales of such items to 10% of total boxed lunch's sales.</li> </ul>
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> <li>Communication devices recovered from store closings and transferred stores from York to be distributed to existing stores for efficient use</li> <li>Steadily replace communication device batteries</li> <li>Disaster prevention measures checked throughout the year by store disaster management committees</li> </ul>	<ul style="list-style-type: none"> <li>Redistributed communication devices appropriately in preparation for disasters and based on the environment of each store</li> <li>Replaced expended batteries and switched to new models</li> <li>Disaster management committees confirmed that status of implementation of disaster preparedness measures at each store</li> <li>Head office also confirmed status using meeting minutes</li> </ul>	<ul style="list-style-type: none"> <li>○</li> </ul>	—
Providing support for disasters				
	<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 disaster support agreements concluded in the past</li> </ul>	<ul style="list-style-type: none"> <li>Concluded a material supply agreement with Asaka City, Saitama Prefecture and the Honden Fire Station and a facility supply agreement with Nagareyama City, Chiba Prefecture</li> <li>Reviewed and re-concluded material supply agreements with Warabi City and Toda City in Saitama Prefecture and Nagareyama City and Abiko City in Chiba Prefecture</li> </ul>	<ul style="list-style-type: none"> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>Reinforce collaboration with the internal relevant departments (including the Product Dept., Logistics Office, and Accounting Management Dept.) so that relief materials can be provided quickly in the event of a disaster</li> <li>Steadily review the details of agreements with local governments concluded in the past and ensure that they are effective</li> <li>In addition to concluding agreements, participate in disaster prevention drills, meetings, and so on conducted by local governments and other organizations and reinforce collaboration through exchanges of information</li> </ul>
Implementing crime prevention measures for local communities				
	—	—	—	<ul style="list-style-type: none"> <li>Reinforce collaboration between individual stores and local police stations. Cooperate with regional crime prevention events and other events held by police stations</li> </ul>

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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Improving energy efficiency and introducing renewable energy				
	<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 floors air conditioning for stores where possible</li> <li>Delivery distance per store: 155,000 km</li> </ul>	<ul style="list-style-type: none"> <li>Replaced and updated approx. 85,000 lighting units with LEDs at 100 stores</li> <li>Estimated the effects of installing inverters at stores where they are not installed and determined that there are no stores where installation would be effective</li> <li>Installed solar panels at 4 stores including a mega-solar facility at the Ario Ichihara store</li> <li>140,000 km                             <ul style="list-style-type: none"> <li>* Calculate from average number of stores in operation</li> <li>Reduced hanger delivery services from 5 days per week to 4 days per week</li> <li>Consolidated the five-center structure to four centers in September 2020 and reduced average delivery distance. In conjunction with a review of center placement, also reviewed delivery times to stores and reduced the number of vehicles</li> </ul> </li> </ul>	<p>○</p> <p>△</p> <p>○</p> <p>○</p> <p>—</p>	<ul style="list-style-type: none"> <li>Update approx. 68,000 LEDs at 80 stores</li> <li>Switch approx. 3,000 exterior floodlights and mercury lamps to LEDs at 80 stores</li> <li>Install solar panels at 3 stores</li> <li>Delivery distance per store: 135,000 km                             <ul style="list-style-type: none"> <li>Update processed food order and delivery lead times</li> <li>Switch from intensive deliveries before stores open and after they close to effectively use times during the day and reduce delivery vehicles</li> </ul> </li> <li>Conduct a test installation of an AI-controlled system for air conditioning and heat sources at one store</li> <li>Implement RE100 at the Ario Kameari store (the first off-site PPA in Japan)</li> <li>Plan solar carport installation</li> </ul>
Reducing waste and developing a circular economy				
	<ul style="list-style-type: none"> <li>Food loss and waste: down by 27.5% from FY2013</li> <li>Food waste recycling rate: 60.0% (Continue recycling at all 157 stores handling food-related products)</li> </ul>	<ul style="list-style-type: none"> <li>Down by 32.7%</li> <li>64.0% (recycling implemented at all 131 stores that handle food-related products)</li> </ul>	<p>○</p> <p>—</p>	<ul style="list-style-type: none"> <li>Food loss and waste: down by 33% from FY2013</li> <li>Food waste recycling rate: 65.0%</li> <li>Encourage Seven Farms initiatives                             <ul style="list-style-type: none"> <li>Expand acquisition of JGAP and other certification</li> <li>Reduce food losses by using out-of-spec products. Provide processed foods that use sustainable materials (circular agricultural products)</li> <li>Improve food waste recycling rate (FY2020: 64.0%)</li> </ul> </li> </ul>
Promoting a circular economy				
	—	—	—	<ul style="list-style-type: none"> <li>Increase number of the stores with collection boxes permanently installed for food drive activities to 40</li> <li>Promote PET bottle collection (21 t/year by each collection machine)</li> <li>Down collection                             <ul style="list-style-type: none"> <li>Collect down Futons and down jackets at target stores, reuse the collected down products, and promote measures for conversion to products, etc.</li> <li>Number of items collected: 1,300 (up 34% from the previous fiscal year)</li> <li>* 968 items were collected in the previous fiscal year</li> </ul> </li> <li>Umbrella collection                             <ul style="list-style-type: none"> <li>Implement an umbrella replacement campaign where one unnecessary umbrella is collected from customers for each umbrella purchased. Recycle the collected umbrellas and encourage measures to make them into new products</li> <li>Number of items collected: 15,000</li> </ul> </li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>Number of employees who take the Eco Test (passing rate): 1,300 (90%)</li> <li>Achieve 100% participation in e-learning to gain understanding of and promote the GREEN CHALLENGE 2050</li> </ul>	<ul style="list-style-type: none"> <li>Due to the COVID-19 pandemic, the number of times the Eco Test was administered decreased</li> <li>Number of employees who took Eco Test: 340</li> <li>Number of employees who passed: 149 (passing rate: 43.8%)</li> <li>e-learning participation rate: 99%</li> </ul>	<p>×</p>	<ul style="list-style-type: none"> <li>Number of employees who pass the Eco Test (passing rate): 1,000 (targeted test takers as of June 2021: 1,194) (90%)</li> <li>Achieve 100% participation in e-learning to gain understanding of and promote the GREEN CHALLENGE 2050</li> </ul>

## Environmental Data

	Unit	FY2018	FY2019	FY2020
CO <sub>2</sub> emissions**1*2*3	t-CO <sub>2</sub>	452,906	414,126	374,997
CO <sub>2</sub> emissions from store operations**1*3 (Environmental impact index**4)	t-CO <sub>2</sub> (t-CO <sub>2</sub> /(Mm <sup>2</sup> × 1,000 h))	428,636 (92)	391,680 (100)	353,469 (110)
CO <sub>2</sub> emissions from delivery vehicles**1*3	t-CO <sub>2</sub>	21,454	22,158	21,287
Electricity consumption in store operations**1	GWh	745	701	645
Water usage in store operations**1	1,000m <sup>3</sup>	6,138	5,842	4,795
Plastic bag usage (turndown rate) at the food section	t (%)	1,012 (72.7)	756 (74.4)	399 (81.7)
Waste disposal	t	125,267	119,172	105,246
Food waste recycling rate	%	55.1	59.5	64.0

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

\*2 The 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 were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

\*4 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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Development of human resources (food-related departments)				
	<ul style="list-style-type: none"> <li>Train 50 employees in the first half, focusing chiefly on training and skill acquisition by newly transferred employees in fresh food departments, including those relocated under personnel policy</li> <li>Issue orders to trainees transferred to food freshness departments to undergo 4-month training curriculum consisting of 1 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 manual under a new standard for sanitation management, in addition to product making manual. Video viewing by all food related employees</li> </ul>	<ul style="list-style-type: none"> <li>Implemented 1 month of intensive training and 3 months of store OJT for 46 employees immediately after transfer to fresh food departments</li> <li>Given a certain level of techniques at the time of assignment led to high satisfaction among transferees and personnel responsible for accepting transferees</li> <li>Produced video manuals, mainly regarding skills in fresh food departments, but production was not completed for all techniques and videos training was not conducted</li> </ul>	<p>○</p> <p>△</p>	<ul style="list-style-type: none"> <li>Conduct “intensive training for employees transferred to fresh food departments” twice annually, in the first and second halves, with 40 employees participating each time for a total of 80 employees. Further develop training systems in line with management strategies and personnel policy. Provide training and human resources development with a sense of reassurance for transferees and persons who accept them</li> <li>Produce, organize, and centrally manage training manuals including video manuals and create a cloud-based training system that enables all employees to confirm matters and undergo training whenever needed</li> <li>Manage the new training system using individual IDs and provide training opportunities that allow employees to proceed at their own pace</li> </ul>
Development of human resources (overall)				
	—	—	—	<ul style="list-style-type: none"> <li>Introduce a video service that provides educational content with a focus on business skills, pay a portion of the course fees, encourage employees’ willingness to learn independently, and provide opportunities for learning outside the company</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>Conduct education to facilitate proper knowledge and understanding from the perspectives of respect for human rights and diversity and promoting normalization and train employees to act appropriately (Train in human rights awareness for all employees at a new store opening, in addition to level-specific training for new employees and for new managerial appointees)</li> </ul>	<ul style="list-style-type: none"> <li>Number of trainings: 16 times</li> <li>Number of participants in training: 838</li> </ul>	<p>△</p> <p>—</p>	<ul style="list-style-type: none"> <li>Compile a Human Rights Report to facilitate proper knowledge and understanding from the perspectives of respect for human rights and diversity and promoting normalization, disseminate various information, and train employees to act appropriately</li> <li>Train in human rights awareness for all employees at a new store opening, in addition to level-specific training for new employees and for new managerial appointees</li> <li>Percentage of employees with disabilities: 3.18%</li> <li>Assign at least one employment counselor for people with disabilities to each store</li> <li>Encourage the employment of seniors</li> <li>Continue to provide opportunities for active roles by seniors and create environments that facilitate work</li> <li>Encourage the active roles by foreign employees</li> <li>Encourage acceptance of foreign technical intern trainees</li> </ul>

Product development focused on senior citizens				
	<ul style="list-style-type: none"> <li>Reinforce development of waterproof sheets and pajamas and other products with anti-viral, anti-bacterial, and deodorant specifications, which are in high demand from customers during the COVID-19 pandemic</li> <li>Product development aimed at responding to consumer opinions and problems in size, body shape, symptoms, etc., in addition to basic functions needed for the elderly Developed products sales ratio: 30%</li> <li>Enhance the customer recognition of Anshin Support Shops. Promote approaches to nursing care coordinators jointly with manufacturers and propose online sales to customers who have reduced store visits during the COVID-19 pandemic Online sales: 20% increase compared to previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>Developed product distribution ratio: 24%</li> <li>Online sales: 16% increase compared to previous fiscal year</li> </ul>	<p>×</p> <p>△</p>	<ul style="list-style-type: none"> <li>Expand the lineup of anti-viral and anti-bacterial products in response to the risk of severe disease from COVID-19 among the elderly. Promote the development of private-brand products with anti-viral, anti-bacterial, and anti-microbial specifications such as socks, bottoms, and canes as well as waterproof sheets and pajamas and reinforce the lineup with national brand and other products</li> <li>Product development aimed at responding to consumer opinions and problems in size, body shape, symptoms, etc., in addition to basic functions needed for the elderly Developed products sales ratio: 25%</li> </ul>
Assuring occupational safety and health				
	<ul style="list-style-type: none"> <li>Reduce the number of serious work accidents resulting in 4 or more days of work missed by 10% compared to the previous year</li> <li>Continue harassment training and awareness training toward violators of work regulations</li> </ul> <p>—</p>	<ul style="list-style-type: none"> <li>7% reduction compared to the previous fiscal year (94 incidents); the total number of work accidents was up 5% compared to the previous year (523 incidents)</li> <li>Harassment training was not conducted due to COVID-19, training for violators of work regulations was conducted in August 2020</li> </ul> <p>—</p>	<p>△</p> <p>—</p>	<ul style="list-style-type: none"> <li>Reduce the total number of work accidents by 10% and number of serious work accidents resulting in 4 or more days of work missed by 10% compared to the previous fiscal year</li> <li>Conduct harassment training by changing the format and continuously implement awareness training for violators of work regulations</li> <li>Reduce annual working hours Total working hours by management employees: No more than 2,000</li> <li>Reduce overtime hours Violations of Japanese Labor Standards Act Article 36: Zero</li> <li>Review details of discussions by store safety and health committees</li> </ul>
Development of ideal working environment				
	—	—	—	<ul style="list-style-type: none"> <li>Promote knowledge and information concerning family care by holding periodic seminars and other means and expand consultation desks</li> <li>3-year retention rate of employees hired as recent graduates The retention rate for employees hired in FY2018 is 82.2%, a high level compared to other industries and the retail industry average, so make ongoing efforts to increase the retention rate even further</li> </ul>
Supporting Active Roles for Women				
	—	—	—	<ul style="list-style-type: none"> <li>Supporting active roles for women Conduct bottom-up support for female management employees to increase the percentages of female management employees on the section manager level to 15.0% (currently 14.1%) and the team leader level to 32.0% (currently 31.7%)</li> <li>The percentage of male employees taking childcare leave is at 33% and has been decreasing year by year, so initially seek a 50% with an ultimate target rate of 100%</li> </ul>

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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Strengthening Enactment of Business Partner Action Guidelines				
—	—	—	—	<ul style="list-style-type: none"> <li>Building sustainable supply chains Request that suppliers gain an understanding of the Seven &amp; i Group Business Partner Sustainable Action Guidelines and cooperate with CSR audits</li> <li>CSR audits: Eliminate factories with D and E ratings and increase the percentages of factories with A, B, and C ratings</li> </ul>
Solving social issues through our business				
—	—	—	—	<ul style="list-style-type: none"> <li>Create new value using store infrastructure (setting up COVID-19 vaccination sites and My Number Card, or personal ID card in Japan, promotion booths)</li> <li>Develop ethical products</li> </ul>
Sustainable procurement of raw materials				
—	—	—	—	<ul style="list-style-type: none"> <li>Expand development of organic produce in the lineup of Traceable Vegetables with a Face of the Producer                             <ul style="list-style-type: none"> <li>34 items in FY2020 plus 50 items in FY2021</li> <li>Increase stores with organic produce sections from about 30 to 80 by December 2021</li> </ul> </li> <li>Raise the use rate of raw materials ensured to be sustainable by expanding livestock products with JGAP certification (June 2021: Hokkoku-yongenton pork; September: Magokoro-tamago eggs; November: Tochigi Haga-gyu beef, Tokachi herb-gyu beef, Oshyan-ton pork)</li> <li>Raise the use rate of raw materials ensured to be sustainable by expanding handling of in-store processed foods (sushi and deli) by using fisheries products with MEL certification (May 2021: sweetfish; June: silver salmon; July: summer yellowtail; September: fresh autumn salmon; December: oyster)</li> <li>Acquire MSC and ASC CoC certification (October 2021)</li> <li>Expand the lineup of products that use recycled PET material (develop successor products to Seven Premium Body Cooler, dress shirts, and eco-umbrellas)</li> <li>Expand the lineup of environmentally-conscious products, such as recycled down, organic cotton, and water-saving bottoms, and sell products that use RENU recycled polyester material (December 2021: Good Fit Pants)</li> </ul>

## Social Contribution Activities

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Social contribution activity expenditures				
—	—	—	—	<ul style="list-style-type: none"> <li>Contribute to regional development and the creation of enriching living environments through business and engage in social contribution that takes into consideration the social and public nature of initiatives such as appropriate donations</li> <li>Social contribution activity expenditures: up 10% from the previous fiscal year</li> <li>* 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</li> <li>Total amount collected through donation boxes installed at the registers of all stores: 31.5 million yen (up 7% from the previous fiscal year)</li> </ul>

Collaboration with NPOs, NGOs, and other organizations				
—	—	—	—	<ul style="list-style-type: none"> <li>• Use store infrastructure to cooperate with food drives that support the elderly, children, the impoverished, and others. Promote community welfare and reduce food losses through the donation of goods</li> <li>Stores with food drive collection boxes permanently installed: 40</li> </ul>
Support for disaster recovery through Bellmark activities				
—	—	—	—	<ul style="list-style-type: none"> <li>• Continuous implementation of the Tohoku Kakehashi Project since 2011 to support recovery from the Great East Japan Earthquake. In addition to sales of products and support for tourism, continuous implementation of Bellmark collection activities (provision of educational materials used by children in the Tohoku region)</li> <li>Collection target: 3 million points (cumulative total of 18 million points)</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2021)		(persons)
Full-time employees*1		6,380
	Male	4,533
	Female	1,847
Part-time staff*2		19,330
	Male	3,889
	Female	15,441
Number of employees (full-time employees + part-time staff)		25,710
	Male	8,422
	Female	17,288
New graduate employees hired		175
	Male	92
	Female	83
Mid-career employees hired		24
	Male	12
	Female	12

	FY2018	FY2019	FY2020
Average length of service (full-time employees)	24 years 7 months	23 years 2 months	23 years 5 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	323 (3, 183)	290 (8, 194)	289 (7, 183)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	32 (1, 26)	26 (5, 17)	34 (2, 26)
Number of volunteer leave recipients	4	7	7
Number of female managers (percentage)*4	798 (26.3%)	751 (26.1%)	701 (27.6%)
Team leader	707 (30.9%)	666 (31.0%)	625 (31.9%)
Section manager	71 (13.8%)	65 (13.0%)	55 (13.9%)
Division manager	20 (8.8%)	20 (8.9%)	21 (11.4%)
Corporate officer*5	1 (4.8%)	1 (4.2%)	3 (13.0%)
Percentage of employees with disabilities*6	2.99%	3.15%	3.19%
Percentage of paid leave taken by full-time employees	26.3%	32.8%	45.1%
Frequency rate of workplace accidents	1.65	1.37	1.53
Severity rate of workplace accidents	0.04	0.03	0.04

\*1 The figure includes 712 persons reemployed after mandatory retirement.

\*2 Monthly average, with 8 hours/day counted as one employee. Including 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.

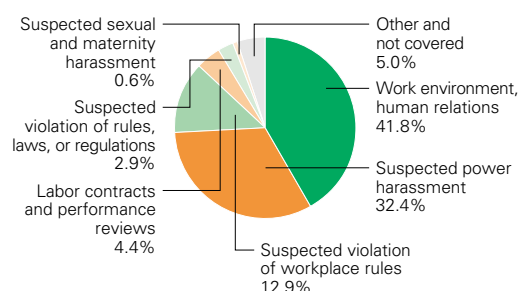
\*5 The percentage of female corporate officers is as of May 31 of the following fiscal year.

\*6 The percentage for the fiscal year is as of June 1 of the following fiscal year.

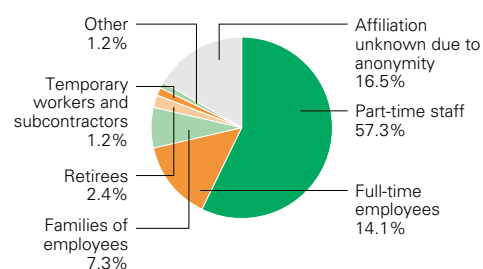
## Data from Helpline for Employees

The number of consultations in FY2020 fell to 95.8% of the FY2019 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 FY2020 Reports received: 340 (down 4.2% 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 28, 2021: 235

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

### FY2020 Targets/Results and FY2021 Targets

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

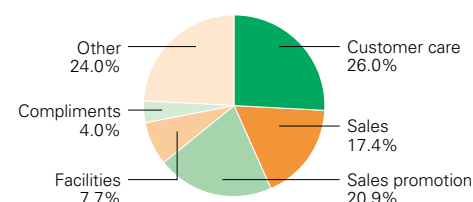
Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Supporting childcare, elderly, and others				
	• Continue blood donation activities	• Number of Heartful Saturday blood donors: 297	○	• Continue blood donation activities
Promoting regional development				
	• Continue to hold Opening Anniversary Festivals at each store (each store holds unique event with local customers in the month they opened)	• Continued to hold the festivals at each store	○	• Continue to hold Opening Anniversary Festivals at each store

## 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 store 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 and reliable places to shop.

Breakdown of inquiries by category for FY2020  
Inquiries received: 3,971  
(up 11.8% from the previous fiscal year)



### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Ensuring the quality and safety of products and services				
	• Sales for private-brand three-star vegetables/fruits (existing stores): 6% growth year-on-year	• Up 2.3% compared to the previous year	○	• Sales for private-brand three-star vegetables/fruits (existing stores): 7.4% growth year-on-year
Maintaining more customer-friendly and reliable stores and facilities				
	• Expand the number of new stores that apply 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.: 126	○	• Expand the number of new stores that apply the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.
Providing support for disasters				
	• Consider cooperating with local governments who request the conclusion of disaster management agreements, etc.	• No new agreements with local governments were signed	—	• Consider cooperating with local governments who request the conclusion of disaster management agreements, etc.
Implementing crime prevention measures for local communities				
	• Response to request for cooperation from police	• Cooperated in "Kodomo 110 Ban no Mise" initiative where stores serve as emergency shelters where children can go to for help	○	• Cooperate in the "Kodomo 110 Ban no Mise" initiative at new stores

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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Improving energy efficiency and introducing renewable energy				
	• Electricity consumption (existing stores): 98.0% of previous year	• 99.0% of previous year	△	• Electricity consumption (existing stores): 97.4% of previous year
	• Expand the number of stores which newly install the system to remotely support refrigerator and freezer cases: 45 stores	• 45 stores (installed in accumulated total of 146 stores)	○	• Installation of solar power generation facility: 10 stores (Annual CO <sub>2</sub> reduction of 2,000 t)

## Environmental Data

	Unit	FY2018	FY2019	FY2020
CO <sub>2</sub> emissions**1*2*3	t-CO <sub>2</sub>	192,977	192,650	192,766
CO <sub>2</sub> emissions from store operations (per store)**1*3	t-CO <sub>2</sub>	175,576 (787)	174,464 (755)	173,804 (733)
CO <sub>2</sub> emissions from delivery vehicles**1*3	t-CO <sub>2</sub>	17,097	17,868	18,518
Electricity consumption in store operations*1	GWh	338	336	340
Water usage in store operations*4	1,000m <sup>3</sup>	1,097	1,072	1,044
Plastic bag usage (turndown rate) at the food section	t (%)	516 (70.5)	496 (72.6)	337 (82.0)
Waste disposal (recycling rate)*4	t (%)	44,697 (52.2)	52,953 (52.1)	54,572 (55.6)
Food waste recycling rate*4	%	59.8	58.1	60.5

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

\*2 The 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 were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

\*4 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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Development of human resources				
	<ul style="list-style-type: none"> <li>The Training Promotion Department, which integrated the Training Department and Skill Development Department in the Training Promotion Office, promotes level-specific and OJT training</li> <li>Number of employees who successfully pass 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>Number of feedback training: 36 times in 6 zones</li> </ul>	<ul style="list-style-type: none"> <li>Cancelled group training during the first half, due to the impact of the COVID-19 pandemic, which also meant that the training program could not be held or the training environment shaped according to the original plan. Developed a new style of training using Web tools and special tailoring to the individual and implemented level-specific training as of the second half</li> <li>Number of employees who passed the test: 1,381 (achievement rate 105%)</li> <li>Number of participants: 947 (achievement rate 175%)</li> <li>Number of trainings: 24 times in 4 zones (achievement rate 67%)</li> </ul>	<p>△</p> <p>○</p> <p>○</p> <p>×</p>	<ul style="list-style-type: none"> <li>Switch to a flexible training format in line with the "New Normal," boosting organizational capacity through level-specific training, as well as OJT training pertaining to technologies and management</li> <li>Number of employees that successfully pass technical certification: 1,023</li> <li>Number of employees in charge of order placement to undergo training (levels 4 &amp; 5): 453</li> <li>Number of power harassment prevention trainings: 91 times in 7 departments in 14 zones</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>Annual number of paid leave days taken (full-time employees): 10 days</li> </ul>	<ul style="list-style-type: none"> <li>Annual number of paid leave days taken (full-time employees): 7.6 days</li> </ul>	×	<ul style="list-style-type: none"> <li>Annual number of paid leave days taken (full-time employees): 10 days</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>Promote an executive training curriculum and 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): 26.4%</li> </ul>	×	<ul style="list-style-type: none"> <li>Promote an executive training curriculum and achieve a percentage of female managers (team leaders) of 28%</li> </ul>
Assuring occupational safety and health				
	<ul style="list-style-type: none"> <li>Number of workplace accidents per year: Decrease of 20% compared to the previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>Compared to the previous fiscal year: Increased by 16%</li> </ul>	×	<ul style="list-style-type: none"> <li>Number of workplace accidents per year: Decrease of 10% compared to the previous fiscal year</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2021)		(persons)
Full-time employees*1		3,068
	Male	2,595
	Female	473
Part-time staff*2		12,198
	Male	2,167
	Female	10,031
Number of employees (full-time employees + part-time staff)		15,266
	Male	4,762
	Female	10,504
New graduate employees hired		121
	Male	70
	Female	51
Mid-career employees hired		0
	Male	0
	Female	0

	FY2018	FY2019	FY2020
Average length of service (full-time employees)	14 years 8 months	14 years 8 months	15 years 0 month
Number of full-time employees who took childcare leave (males, part-time staff)*3	185 (0, 161)	196 (0, 170)	205 (0, 177)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	4 (0, 4)	5 (0, 5)	6 (0, 6)
Number of volunteer leave recipients	NA	NA	NA
Number of female managers (percentage)*4	601 (25.3%)	604 (25.4%)	614 (24.9%)
Team leader	395 (26.1%)	381 (25.3%)	390 (26.4%)
Section manager	191 (34.6%)	207 (36.4%)	208 (31.1%)
Division manager	15 (4.9%)	16 (5.3%)	16 (5.2%)
Corporate officer*5	3 (10.3%)	2 (6.9%)	2 (6.9%)
Percentage of employees with disabilities*6	2.97%	3.10%	3.12%
Percentage of paid leave taken by full-time employees	26.5%	40.0%	50.0%
Frequency rate of workplace accidents	3.33	3.58	3.40
Severity rate of workplace accidents	0.01	0.01	0.01

\*1 The figure includes 258 persons reemployed after mandatory retirement.

\*2 Monthly average, with 8 hours/day counted as one employee. Including 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.

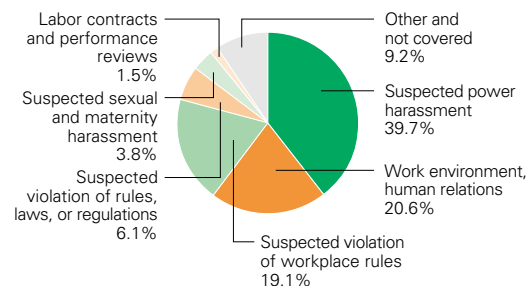
\*5 The percentage of female corporate officers is as of May 31 of the following fiscal year.

\*6 The percentage for the fiscal year is as of June 1 of the following fiscal year.

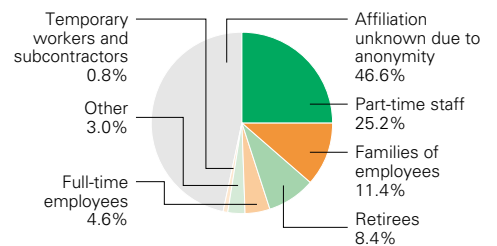
## Data from Helpline for Employees

The service enables employees to receive counseling on workplace issues, request investigations into suspicion of harassment, fraud, etc. Employee suggestions are used to create a better workplace environment.

### Breakdown of reports by category for FY2020 Reports received: 131 (up 9.2% from the previous fiscal year)



### By user category



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

### FY2020 Targets/Results and FY2021 Targets

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

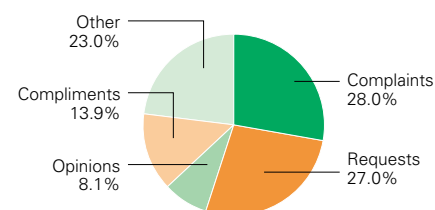
Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Supporting childcare and elderlies				
	<ul style="list-style-type: none"> <li>• Increase users of the child caring program "Re-challenge Plan" to reduce resignations</li> <li>• Disseminate information about the "Re-challenge Plan" via the internal newsletter featuring the experience of its program 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 program</li> </ul>	<ul style="list-style-type: none"> <li>• Users of "Re-challenge Plan" remained flat after 1 user quit their job</li> <li>• No articles were published in the internal newsletter. Unable to disseminate information about the program</li> <li>• Cancelled orientations due to the COVID-19 pandemic. In January and May, individualized communication training was held for employees with young children. Also, individuals on childcare leave received an update of happenings at the company by post every two months</li> </ul>	<p>○</p> <p>×</p> <p>△</p>	<ul style="list-style-type: none"> <li>• Increase users of the child caring program "Re-challenge Plan" to reduce resignations</li> <li>• Disseminate information about the "Re-challenge Plan" via the internal newsletter featuring the experience of program users</li> <li>• Hold orientation for employees returning to work after childcare leave either in person or online</li> </ul>
Promoting regional development				
	<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 people to care for dementia patients</li> </ul>	<ul style="list-style-type: none"> <li>• Cancelled observation tours for elementary and junior high school students due to the COVID-19 pandemic. Teachers, however, were allowed to visit. Distributed CSR leaflets</li> <li>• Postponed training courses due to the COVID-19 pandemic</li> </ul>	<p>△</p> <p>×</p>	<ul style="list-style-type: none"> <li>• Hold observation tours for teachers and provide CSR leaflets proactively</li> <li>• Implement small-scale courses/e-learning courses on training people to care for dementia patients</li> </ul>

## Providing Safety and Reliability through Products and Stores

### Data from Customer Support

A total of 8,821 inquiries were received in FY2020, up 8% from the previous fiscal year (2,713 calls via the toll-free phone number and 6,108 to stores). An increased number of inquiries regarding countermeasures against COVID-19 have also been 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 FY2020  
Inquiries received: 8,821  
(up 8% from the previous fiscal year)



**FY2020 Targets/Results and FY2021 Targets**

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>Hold training using actual examples from store surveys in date management, accurate production location, history displays, etc. of products via store supervisors' meetings</li> <li>Communication fostered at stores between Head Office quality control staff and compliance team members to boost quality control systems</li> <li>Check on operations of sanitation equipment (Purester water: weakly acidic electrolysis water) on store inspection tours</li> </ul>	<ul style="list-style-type: none"> <li>Bolstered confirmation system pertaining to quality and safety control between sales business department employees and store supervisors</li> <li>Limited to online conferences since small-group meetings consisting of team members from roughly 5 stores located nearby were rendered impossible by the COVID-19 pandemic</li> <li>Checked user status every other month through an outsourced partner to maintain operations properly. Head Office quality control staff explained how to utilize the equipment during store interviews</li> </ul>	<p>△</p> <p>×</p> <p>○</p>	<ul style="list-style-type: none"> <li>Boost training on date management, accurate production location, history displays, etc. by way of HACCP by enhancing training pertaining to quality control at monthly store supervisor meetings</li> <li>Hold meetings twice annually between Head Office quality control staff and HACCP team members at all stores</li> <li>Check on operations of sanitation equipment on inspection tours of all stores in the old Tokyo metropolitan area</li> </ul>
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> <li>Upgrade the sitting areas named "Fureai Corner" at renovated stores</li> <li>Continue use of anti-slip ceramic tiles as store flooring material (2 new stores)</li> </ul>	<ul style="list-style-type: none"> <li>Closed or scaled down the special areas to help prevent the spread of the infection</li> <li>Set up at 2 new stores</li> <li>Installed sensor-operated automatic sanitizer pumps in all stores</li> <li>Installed partitions at cash registers and service counters in all stores</li> <li>Set up thermometer systems with camera (1 new store)</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Upgrade the sitting areas named "Fureai Corner" at renovated stores in consideration of the spread of COVID-19</li> <li>Continue use of anti-slip ceramic tiles as store flooring material (1 new stores)</li> </ul>
Providing appropriate information				
	<ul style="list-style-type: none"> <li>Issues found in store audit results shared with the sales business department every week for improvement. Transmission of information 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>	<ul style="list-style-type: none"> <li>Shared audit results only about once a month, since store audits could not be conducted as planned due to COVID-19 pandemic. Expense audits were implemented, however, and any issues shared with management</li> <li>Facilitated communication through monthly web conference with Head Office quality control staff, weekly emails providing information to stores, and store supervisors' meetings</li> <li>Limited to web conferences since small-group meetings consisting of team members from roughly 5 stores located nearby rendered impossible by the COVID-19 pandemic</li> </ul>	<p>△</p> <p>○</p> <p>×</p>	<ul style="list-style-type: none"> <li>Issues found in store audit results shared with the sales business department every week for improvement. Transmission of information from business trainers to continue for action by the entire company</li> <li>Continue to provide weekly information related to HACCP, hygiene management, freshness management, and allergy labeling to stores by emails, and strengthen direct communication through meetings</li> <li>Conduct food hygiene and labelling training 5 times a year via e-learning</li> </ul>
Responding sincerely to customers' opinions				
	<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>Share customers' opinions among management and store employees for better store management</li> </ul>	<ul style="list-style-type: none"> <li>Upon checking all of the thousands of customer suggestions received each year, shared important opinions with management and store employees, and addressed accordingly</li> <li>Collected many customers' opinions and concerns about our countermeasures against COVID-19 over the course of the year, and shared their insecurities or complaints</li> </ul>	<p>○</p> <p>△</p>	<ul style="list-style-type: none"> <li>Continue to maintain the system of garnering customers' opinion. Gather key opinions weekly to share with both management and store employees and maintain the system to promptly answer to customers' requests as well as any complaints</li> <li>Address customer opinions regarding countermeasures against COVID-19, ensuring that stores can provide an environment where customers are able to shop with confidence</li> </ul>

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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Measuring appropriately the environmental impact				
	<ul style="list-style-type: none"> <li>Utilize BEMS</li> </ul>	<ul style="list-style-type: none"> <li>Expanded to include 98 out of 100 stores</li> </ul>	○	<ul style="list-style-type: none"> <li>Set up at all store locations including new ones</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 (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>	<ul style="list-style-type: none"> <li>Installation of reach-in cases (3 stores)</li> <li>Solar power generation facility (2 stores)</li> <li>Installation of LED lighting (7 stores)</li> </ul>	<p>○</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Introduce reach-in multi-level refrigerated cases: 1 store</li> <li>Install solar power generation facility: 4 stores</li> <li>Install air conditioning and heating control systems using AI: 1 store</li> </ul>
Reducing waste and developing a circular economy				
	<ul style="list-style-type: none"> <li>Food waste recycling rate: 64.8%</li> <li>Plastic bag turn-down rate: 70.0% Plastic bag usage weight: decreased by 15% from previous year</li> </ul>	<ul style="list-style-type: none"> <li>Food waste recycling rate: 59.2% (companywide), 68.2% (existing stores)</li> <li>Charges apply to plastic bags at all stores as of April 11</li> <li>Plastic bag turn-down rate: 78.9%</li> <li>Plastic bag usage weight: down by 59.7% from previous year</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Food waste recycling rate: 60% (companywide)</li> <li>Plastic bag turn-down rate: 82.0% Plastic bag usage weight: down by 15% from previous year</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>Number of employees who pass the Eco Test: 30</li> </ul>	<ul style="list-style-type: none"> <li>Number of employees who passed the Eco Test: 21</li> </ul>	△	<ul style="list-style-type: none"> <li>Number of employees who pass the Eco Test: 110</li> </ul>

### Environmental Data

	Unit	FY2018	FY2019	FY2020
CO <sub>2</sub> emissions*1*2*3	t-CO <sub>2</sub>	56,375	54,891	63,416
CO <sub>2</sub> emissions from store operations (per store)*1*3	t-CO <sub>2</sub>	56,337 (696)	54,852 (660)	63,377 (615)
Electricity consumption in store operations*1	GWh	117	115	136
Water usage in store operations*1	1,000m <sup>3</sup>	513	483	577
Plastic bag turn-down rate at the food section	%	50.6	54.5	78.9
Waste disposal (recycling rate)	t (%)	21,891 (77.9)	20,097 (80.2)	23,978 (72.1)
Food waste recycling rate	%	62.8	64.2	59.2

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

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

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Development of human resources				
	<ul style="list-style-type: none"> <li>Hold communication seminars (anger management coaching) for general managers, zone managers, store managers and managers</li> <li>Conduct Web training and technology training for new employees</li> </ul>	<ul style="list-style-type: none"> <li>Held communications seminars (anger management coaching) 8 times a year for 200 department managers of the meat/fruit and vegetable department</li> <li>Held training on how to be a working person, as well as technical training as Group training for new employees</li> </ul>	<p>△</p> <p>○</p>	<ul style="list-style-type: none"> <li>Develop a remote training environment. Also develop and apply educational content for store managers</li> <li>Develop and apply educational content for new employee</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>Reduced by 8.3% from the previous fiscal year</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: 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>	<ul style="list-style-type: none"> <li>Employees appointed as expert employees: 5</li> <li>Employees appointed as full-time employees: 9</li> <li>Female employees appointed in management roles: 2</li> <li>Percentage of female managers: 17.1%</li> </ul>	<p>×</p> <p>×</p> <p>×</p> <p>×</p>	<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 occupational safety and health				
	<ul style="list-style-type: none"> <li>Give notification of causes of and responses to workplace accidents and reduce workplace accidents requiring missed workdays</li> </ul>	<ul style="list-style-type: none"> <li>Frequency rate of workplace accidents: 4.11 (the previous fiscal year: 2.46)</li> <li>Severity rate of workplace accidents: 0.10 (the previous fiscal year: 0.06)</li> <li>Number of workdays missed: 1,407 (the previous fiscal year: 730)</li> </ul>	△	<ul style="list-style-type: none"> <li>Give notification of causes of and responses to workplace accidents and reduce workplace accidents requiring missed workdays</li> </ul>



## Personnel Data

Breakdown of number of employees (as of the end of February 2021)		(persons)
Full-time employees*1		1,602
	Male	1,254
	Female	348
Part-time staff*2		5,588
	Male	1,378
	Female	4,210
Number of employees (full-time employees + part-time staff)		7,190
	Male	2,632
	Female	4,558
New graduate employees hired		75
	Male	41
	Female	34
Mid-career employees hired		4
	Male	3
	Female	1

	FY2018	FY2019	FY2020
Average length of service (full-time employees)	15 years 11 months	15 years 7 months	15 years 1 month
Number of full-time employees who took childcare leave (males, part-time staff)*3	51 (0, 23)	41 (0, 23)	40 (0, 27)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	2 (0, 2)	0 (0, 0)	1 (1, 0)
Number of volunteer leave recipients	0	2	0
Number of female managers (percentage)*4	218 (24.8%)	213 (24.7%)	226 (21.5%)
Team leader	172 (28.7%)	169 (28.7%)	167 (24.6%)
Section manager	38 (23.0%)	36 (22.9%)	50 (23.0%)
Division manager	8 (7.0%)	8 (6.7%)	9 (6.2%)
Corporate officer*5	1 (6.7%)	2 (11.1%)	2 (10.5%)
Percentage of employees with disabilities*6	2.22%	2.30%	2.04%
Percentage of paid leave taken by full-time employees	20.9%	34.6%	36.9%
Frequency rate of workplace accidents	4.61	2.46	4.11
Severity rate of workplace accidents	0.09	0.06	0.10

\*1 The figure includes 93 persons reemployed after mandatory retirement.

\*2 Monthly average, with 8 hours/day counted as one employee. Including 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.

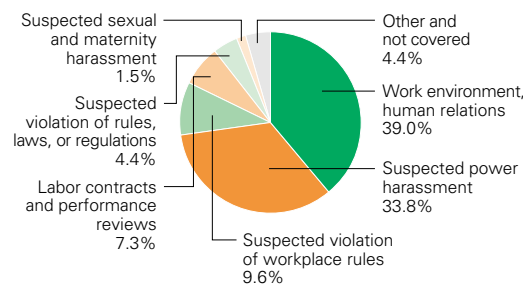
\*5 The percentage of female corporate officers is as of May 31 of the following fiscal year.

\*6 The percentage for the fiscal year is as of June 1 of the following fiscal year.

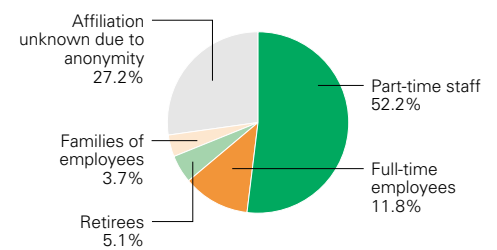
## Data from Helpline for Employees

Many reports have been received about problems arising from daily communication. As a countermeasure, we hold training for store supervisors with outsourced lecturers, as well as training on harassment for department managers. We are also striving to improve the work environment.

### Breakdown of reports by category for FY2020 Reports received: 136 (up 19.3% from the previous fiscal year)



### By user category



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

### FY2020 Targets/Results and FY2021 Targets

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

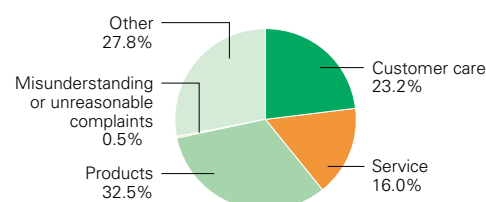
Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Supporting childcare and elderly				
	<ul style="list-style-type: none"> <li>Continue to introduce Pre-Mama Stations and Counters, and hold parent-child participation events, maternity classes, and lectures for customers in collaboration with business partners</li> <li>Newly foster specialty sales personnel to support customers 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 (cumulative total objective: 5,300)</li> <li>Children's shoes donation: cumulative total of 1 million pairs (since 2009)</li> <li>Continue cooperation with businesses that train guide dogs</li> </ul>	<ul style="list-style-type: none"> <li>Responded to individual consultations but group-format events and classes were suspended as a countermeasure for COVID-19</li> <li>Shoe fitters: 6 *Off-site training was suspended meaning the number of formal-wear advisors, and shopping supporters for the elderly and people with disabilities was 0</li> <li>116 persons participated in the dementia supporter training session *A cumulative total of 5,124 persons due to voluntary suspension of group training under the COVID-19 pandemic</li> <li>Cumulative total of 1,009,243 pairs (57,848 pairs for the fiscal year)</li> <li>Donations for drive guide dog training bodies (donations newly using SEVEN MILE): 2,150,000 yen (cumulative total donations 676,520,000 yen)</li> </ul>	<p>△</p> <p>×</p> <p>×</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Continue to introduce Pre-Mama Stations and Counters, and hold parent-child participation events, maternity classes, and lectures for customers in collaboration with business partners</li> <li>Newly foster specialty sales personnel to support customers Shopping supporters for the elderly and people with disabilities: 10 Dementia supporters: 174 (cumulative total: 5,300)</li> <li>Implementation of some off-site training is pending due to the COVID-19 pandemic</li> <li>Continue children's shoe donations (8 stores), cumulative total objective of 1,060,000 pairs</li> <li>Continue cooperation with businesses that train guide dogs</li> </ul>
Promoting regional development				
	<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 mid-year 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>	<ul style="list-style-type: none"> <li>Collaborated with Toshima-ku, Tokyo to implement initiatives by store including regular events in support of childrearing</li> <li>Established early voting stations in Ikebukuro main store for the Tokyo Metropolitan Assembly elections</li> <li>Held an online local products fair in addition to carrying leaflets to introduce regional specialty products in mid-year gifts and year-end gifts</li> <li>Launched the "City Oasis" on the roof of Ikebukuro main store, in addition to implementing monthly cleanup drives for the areas around each store</li> <li>Held events in collaboration with local communities at each store, including a campaign for using public transportation at the Fukui store and a kid's academy at the Chiba store</li> </ul>	<p>○</p> <p>○</p> <p>○</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Strengthen initiatives in collaboration with 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</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 and requests sent to the customer support 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, and are reflecting these in our business policies. In FY2020, we fielded many comments and inquiries relating to COVID-19 measures and store closures, with a large increase in the number of cases fielded over the previous fiscal year. In the future, stores and Head Office will collaborate to provide products and services required by customers and to work on improving and maintaining customer satisfaction.

Breakdown of inquiries by category for FY2020  
Inquiries received: 17,908  
(up 26.6% from the previous fiscal year)



## FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 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>443 persons took the e-learning to cater to compulsory HACCP accompanying the revision to the Food Sanitation Act</li> <li>Held Product Quality Management Committees at each store and implemented improvements and verification of issues pertaining to food sanitation under the guidance of dedicated food sanitation staff stationed at each store</li> <li>Sample verification tests of baby apparel and seasonal goods implemented by specialized institutions on 12 occasions</li> <li>Implemented level-specific non-face-to-face webinar training and e-learning sessions on 10 occasions</li> </ul>	<p>○</p> <p>○</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Continue initiatives to improve hygiene management knowledge including HACCP</li> <li>Clearly identify issues pertaining to food sanitation at each store and continue the PDCA activities for the Store Product Quality Management Committee and the support by dedicated food sanitation staff</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 webinar training and e-learning to improve employee skills</li> </ul>
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> <li>Continue inspections of stores and equipment from a universal design perspective</li> </ul>	<ul style="list-style-type: none"> <li>Verified restroom layouts and reflect them in renovations (142,000,000 yen renovations of Yokohama store toilets, 54,000,000 yen renovations of Chiba store parking lot toilets)</li> </ul>	<p>○</p>	<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 specialized institution to check and inspect labeling of sales areas. Continue to implement appropriate labeling and information disclosure (implement periodic inspections at least twice a year at all stores)</li> </ul>	<ul style="list-style-type: none"> <li>Cooperated with specialized institution to inspect labelling at all stores at least twice for food sections and large-scale product events</li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>Cooperate with specialized institution to check and inspect labeling of sales areas. Continue to implement appropriate labeling and information disclosure</li> </ul>
Responding sincerely to customers' opinions				
	<ul style="list-style-type: none"> <li>Sincerely listen to customers' opinions and requests 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>	<ul style="list-style-type: none"> <li>Sent out a weekly <i>Attentive Service newsletter</i> leveraging customers' opinions from Head Office to each store, and committed efforts to resolving complaints and improving customer service awareness</li> <li>There was an increase in complaints pertaining to COVID-19 measures with 3,842 cases</li> </ul>	<p>○</p> <p>×</p>	<ul style="list-style-type: none"> <li>Continue to speedily respond to customers' opinions received at stores or online</li> <li>Reduce the number of complaints from customers: Below 2,100</li> </ul>
Providing support for disasters				
	<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>	<ul style="list-style-type: none"> <li>Conducted disaster prevention training and education at all stores together in Disaster Prevention and Volunteer Week, Fire Prevention Week, etc. *Conducted after deliberations with government agencies and local fire stations to prevent COVID-19 infections</li> <li>The Council to Address People Experiencing Difficulty Getting Homes and Council to Address Overcrowding Around Train Stations in partnership with government agencies and local businesses were not held due to the impact of the COVID-19 pandemic</li> <li>Local disaster prevention training sessions in partnership with local fire stations and local businesses were not held due to the impact of the COVID-19 pandemic</li> </ul>	<p>○</p> <p>×</p> <p>×</p>	<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 *Government agencies, local fire stations, and local businesses to decide on whether or not the Council to Address People Experiencing Difficulty Getting Homes and Council to Address Overcrowding Around Train Stations, and local disaster prevention training sessions can be held</li> </ul>
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> <li>Strengthen communication with the police officials in collaboration with local businesses</li> </ul>	<ul style="list-style-type: none"> <li>Participated in crime-prevention patrol in partnership with local businesses and police officials</li> <li>Participated in police administration as PR liaisons for <i>Tokuboren</i> (Council on the Prevention of Special Violence) (Ikebukuro main store) *Conducted after deliberations with government agencies and local fire stations to prevent COVID-19 infections</li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>Strengthen communication with the police officials in collaboration with local businesses *Implement with appropriate measures in place to prevent infections after deliberations with government agencies, local fire stations, and local businesses</li> </ul>

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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Measuring appropriately the environmental impact				
	<ul style="list-style-type: none"> <li>Expand good points (high evaluation) in periodic ISO 14001 audits and continue to maintain 0 deficiencies</li> </ul>	<ul style="list-style-type: none"> <li>Area for minor improvement: 1 case; good points (high evaluation): 7 cases</li> </ul>	△	<ul style="list-style-type: none"> <li>Expand good points (high evaluation) 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>Energy consumption: reduce by 1% compared to previous fiscal year (on an operating store basis)</li> <li>Expand the introduction of LED lighting</li> </ul>	<ul style="list-style-type: none"> <li>16.6% reduction due to voluntary business suspensions, and decrease in operating stores</li> <li>Introduced 7,991 lighting units in 5 stores (investment amount of 278,000,000 yen)</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Energy consumption: reduce by 2% compared to FY2019 (on an existing store basis)</li> <li>Continue to switch to efficient machinery for obsolete facilities, etc. and introduce LED lighting</li> </ul>
Reducing waste and developing a circular economy				
	<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</li> </ul>	<ul style="list-style-type: none"> <li>77.8% due to voluntary business suspensions of restaurants</li> <li>71.2%</li> <li>Continue to implement more thorough separation of waste at each store</li> </ul>	<p>○</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Food waste recycling rate: 74.6% (up 2.0% from FY2019)</li> <li>Waste recycling rate: 72.0% (up 1.8% from FY2019)</li> <li>Continue to improve waste recycling rate through more thorough separation of waste</li> </ul>
Implementing measures to conserve biodiversity				
	<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 (rate of decrease in shopping bag use: 30%)</li> <li>Number of planted trees: 1,500 trees</li> </ul>	<ul style="list-style-type: none"> <li>Expanded the scope of tree planting donations from reductions in use of plastic bags for groceries to reductions in use of shopping bags throughout buildings (rate of decrease in shopping bag use: 84.1%)</li> <li>1,331 trees (up 101 trees from the previous fiscal year)</li> </ul>	<p>○</p> <p>△</p>	<ul style="list-style-type: none"> <li>Support tree planting and cultivation using the SEVEN MILE donations, etc.</li> <li>Number of planted trees: 1,500 trees</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>Provide environmental education to all employees</li> <li>Number of employees who pass the Eco Test: 100 (pass rate: 90%)</li> <li>Continue implementation of employee idea competitions that achieve both social contributions and corporate development</li> </ul>	<ul style="list-style-type: none"> <li>Provided environmental education by e-learning</li> <li>72 (pass rate: 92.3%)</li> <li>*Target numbers for Eco Test takers updated accompanying cancellation in the above period</li> <li>Implemented the 4th idea competition (475 entrants, increase by 302 from the previous competition)</li> </ul>	<p>○</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Provide environmental education to all employees</li> <li>Number of employees who pass the Eco Test: 70 (pass rate: 90%)</li> <li>Implement the CSV Idea Competition and plan prize-giving event</li> </ul>

### Environmental Data

	Unit	FY2018	FY2019	FY2020
Number of stores	Stores	15	15	15
CO <sub>2</sub> emissions**1*2*3	t-CO <sub>2</sub>	123,507	116,173	96,947
CO <sub>2</sub> emissions from store operations**1*3	t-CO <sub>2</sub>	123,062	115,753	96,565
Electricity consumption in store operations*1	GWh	221	211	178
Water usage in store operations*1	1,000m <sup>3</sup>	1,656	1,583	1,160
Consumption of container and packaging materials	t	1,280	1,281	719
Waste disposal (recycling rate)	t (%)	21,226 (69.6)	21,060 (70.2)	14,129 (71.2)
Food waste recycling rate	%	72.2	72.6	77.8

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

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

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Development of human resources				
	<ul style="list-style-type: none"> <li>Various training seminars: 1,200 new participants</li> <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 seminar: 1,000 completed training</li> </ul>	<ul style="list-style-type: none"> <li>1,094</li> <li>Fundamental training using videos (ClipLine)</li> <li>All 200 required participants completed training</li> <li>GLOBIS All-you-can-learn seminar: 894 (Completion rate: 91.3%)</li> </ul>	△	<ul style="list-style-type: none"> <li>New training seminar: 867 participants</li> <li>Fundamental training using videos (ClipLine): 67 new employees</li> <li>GLOBIS All-you-can-learn seminar: 800 completed trainings</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>Annual scheduled working hours: 1,867.5 hours (difference from previous fiscal year: reduce by 77.45 hours)</li> <li>Annual statutory holidays: 116 days (difference from previous fiscal year: increase by 2 days)</li> <li>Percentage of annual paid leave taken: 25%</li> <li>Percentage of childcare leave taken by male employees: 35%</li> </ul>	<ul style="list-style-type: none"> <li>1,867.5 hours</li> <li>116 days</li> <li>43.5%</li> <li>12.0%</li> <li>Decrease in employees applying for childcare leave with business suspensions accompanying declaration of state of emergency</li> </ul>	<p>○</p> <p>○</p> <p>○</p> <p>×</p>	<ul style="list-style-type: none"> <li>Annual total working hours: 1,871.3 hours (average monthly overtime per employee: 6.25 hours)</li> <li>Percentage of annual paid leave taken: 50.0%</li> <li>Percentage of childcare leave taken by male employees: 15.0%</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>Encourage promotion of 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%</li> </ul>	<ul style="list-style-type: none"> <li>Employees appointed: 25</li> <li>Employees hired: 3</li> <li>10.4% (21)</li> </ul>	<p>○</p> <p>○</p> <p>×</p>	<ul style="list-style-type: none"> <li>Encourage promotion of limited store staff in response to diversification in work styles: 20</li> <li>Percentage of female managers (section manager): 20.0%</li> </ul>
Assuring occupational safety and health				
	<ul style="list-style-type: none"> <li>Continue to implement health campaigns that utilize the employee cafeteria and roll out activities that promote health, such as health seminars</li> </ul>	<ul style="list-style-type: none"> <li>Each store continued to implement healthy meal campaigns etc., but health seminars were not held due to impact of voluntary business closures and reduced operating hours</li> </ul>	△	<ul style="list-style-type: none"> <li>Provide healthy meal options at employee cafeterias and implement online mental health training</li> </ul>

### Personnel Data

Breakdown of number of employees (as of the end of February 2021)		(persons)
Full-time employees <sup>*1</sup>		2,573
	Male	1,613
	Female	960
Part-time staff <sup>*2</sup>		2,196
	Male	238
	Female	1,958
Number of employees (full-time employees + part-time staff)		4,769
	Male	1,851
	Female	2,918
New graduate employees hired		68
	Male	17
	Female	51
Mid-career employees hired		1
	Male	0
	Female	1

	FY2018	FY2019	FY2020
Average length of service (full-time employees)	22 years 8 months	23 years 0 month	22 years 11 months
Number of full-time employees who took childcare leave (males, part-time staff) <sup>*3</sup>	220 (8, 116)	183 (7, 101)	183 (3, 95)
Number of full-time employees who took nursing care leave (males, part-time staff) <sup>*3</sup>	7 (0, 5)	11 (0, 9)	1 (0, 0)
Number of volunteer leave recipients	NA	NA	NA
Number of female managers (percentage) <sup>*4</sup>	366 (33.7%)	327 (35.2%)	230 (33.5%)
Team leader	302 (54.7%)	269 (59.0%)	188 (62.3%)
Section manager	39 (13.1%)	35 (13.0%)	21 (10.4%)
Division manager	25 (10.6%)	23 (11.3%)	21 (12.2%)
Corporate officer <sup>*5</sup>	2 (8.7%)	2 (8.3%)	2 (8.3%)
Percentage of employees with disabilities <sup>*6</sup>	2.25%	2.22%	2.10%
Percentage of paid leave taken by full-time employees	24.4%	20.8%	36.4%
Frequency rate of workplace accidents	0.33	0.69	0.24
Severity rate of workplace accidents	0.01	0.01	0.00

\*1 The figure includes 164 persons reemployed after mandatory retirement.

\*2 Monthly average, with 8 hours/day counted as one employee. Including 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.

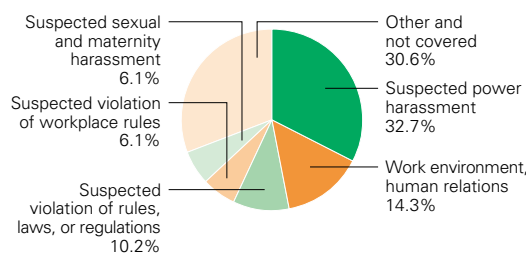
\*5 The percentage of female corporate officers is as of May 31 of the following fiscal year.

\*6 The percentage for the fiscal year is as of June 1 of the following fiscal year.

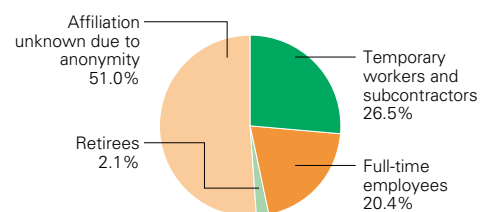
## Data from Helpline for Employees

The number of cases received in FY2020 decreased by approximately 40% compared to the previous year, with more than 50% arising from power harassment or the working environment. However, there was a 50% decrease in the number of cases stemming from power harassment from the previous fiscal year. This result can be considered to be a greatly informed by progress in employee understanding of power harassment due to continuous implementation of compliance training and efforts to improve the working environment. When reports come to light, we first clarify the circumstances as well as the causes and issues and then work on measures to improve and prevent reoccurrence through advice from corporate lawyers and collaboration with the relevant departments. We will continue to conduct regular employee training on compliance and risk management and endeavor to prevent incidents and accidents by fostering a thorough awareness of the issues.

### Breakdown of reports by category for FY2020 Reports received: 49 (down 43.0% from the previous fiscal year)



### By user category



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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Offering eco-friendly products	<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>	<ul style="list-style-type: none"> <li>Conducted Alaska Sustainable Seafood fair at each store and listed the products with certification symbols in mid-year gift and winter gift catalogs</li> <li>Introduced t-shirts made from organic cotton and bags made from recycled polyester at stores and online under the title "Project to Give a Little Goodness for the Earth"</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Continue to propose products with certification symbols such as Alaska Seafood</li> <li>Strengthen the development of eco-friendly products at each store</li> </ul>



# Akachan Honpo Co., Ltd.

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

Number of stores as of fiscal year ended February 28, 2021: 117 (including 3 FC stores)

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

### FY2020 Targets/Results and FY2021 Targets

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

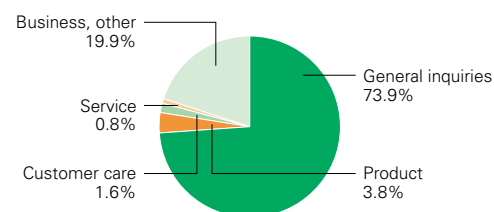
Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Supporting childcare and elderlies	<ul style="list-style-type: none"> <li>Aim to place dedicated maternity advisors (maternity advisors who primarily assist with preparations for childbirth) at all stores (other than new stores)</li> </ul>	<ul style="list-style-type: none"> <li>In December 2020, 192 employees acquired qualifications, but six stores did not have advisors</li> </ul>	△	<ul style="list-style-type: none"> <li>Aim to place dedicated maternity advisors (advisors who primarily assist with preparations for childbirth) at all stores (other than new stores)</li> </ul>
Providing support for disasters	<ul style="list-style-type: none"> <li>Respond to any request when made</li> </ul>	<ul style="list-style-type: none"> <li>Collect donations and engage in other activities in collaboration with the Group</li> </ul>	○	<ul style="list-style-type: none"> <li>Provide necessary support in collaboration with the Group</li> </ul>

## 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. Also, there have been changes in customer values and behavior during the COVID-19 pandemic, and rather than following past business and customer response practices, we are thinking about the future, making proposals, and responding to customers.

Breakdown of inquiries by category for FY2020  
Inquiries received: 12,203  
(down 24.7% from the previous fiscal year)



**FY2020 Targets/Results and FY2021 Targets**

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>Total product return rate: Down at least 20% compared to the previous fiscal year</li> <li>Work to prevent product-related accidents by identifying their root causes and taking countermeasures</li> </ul>	<ul style="list-style-type: none"> <li>Total product return rate: Down 31.2% compared to the previous fiscal year</li> <li>Introduced the Report for Improving Major Defect and started operations to evaluate the degree of improvement through identification of the root causes of product-related accidents and comprehensive reporting on proposed countermeasures</li> </ul>	○	<ul style="list-style-type: none"> <li>Total product return rate: Down at least 10% compared to 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>Events were cancelled due to the COVID-19 pandemic, and it was not possible to proactively set up spaces</li> </ul>	×	<ul style="list-style-type: none"> <li>Implement anti-bacterial and anti-viral measures at all stores</li> </ul>
Providing appropriate information				
	<ul style="list-style-type: none"> <li>Create detailed materials on the Act against Unjustifiable Premiums and Misleading Representations 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>	<ul style="list-style-type: none"> <li>Detailed materials on the Act against Unjustifiable Premiums and Misleading Representations could not be created</li> <li>Conducted training for new buyers on abuse of advantageous position, the Subcontract Act, and the Act against Unjustifiable Premiums and Misleading Representations</li> <li>Issued internal newsletters four times during the year and shares information on CSR activities</li> </ul>	△	<ul style="list-style-type: none"> <li>Conducted training for new buyers on abuse of advantageous position, the Subcontract Act, and the Act against Unjustifiable Premiums and Misleading Representations</li> <li>Conduct training on the Subcontract Act for relevant departments</li> <li>Issue internal newsletters four times during the year and share information appropriately</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</li> <li>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</li> <li>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</li> <li>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>	<ul style="list-style-type: none"> <li>Number of customer complaints: 282 (down 228, or 45% from the previous fiscal year); PPM* value: 18.8 (down 7.4 from the previous fiscal year); both the number of customer complaints and the PPM value declined</li> <li>Due to the COVID-19 pandemic, the number of customers overall decreased, and the number of customer complaints declined in proportion to the number of customers. Also, the PPM value declined, indicating that we were able to curtail customer complaints. In addition, there were 68 instances of praise and thanks (up 8, or 13% from the previous fiscal year). During the COVID-19 pandemic, customer requests have been highly varied, and we have been able to gain customer support by being attentive to customers' feelings and responding appropriately</li> <li>Starting in December 2020, a seasonal festival doll was added to premium benefits and after-sales service was enhanced</li> </ul>	○	<ul style="list-style-type: none"> <li>Customer complaint target: Same as the previous year—better than the previous year's performance</li> <li>Share information on customer opinions internally on a weekly and monthly basis and propose improvements in raise issues from the customer's perspective</li> <li>Check social media twice daily, quickly pick up on trends and customer evaluations, and respond accordingly</li> <li>Continue to develop manuals, establish environments where staff can respond to customers quickly and properly, and respond to customers' feelings</li> <li>Internally share not just customer complaints, but also examples of success including customer praise and thanks to create a culture of mutual admiration and motivation among staff</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**
**FY2020 Targets/Results and FY2021 Targets**

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>Upgrade a gas heat pump air conditioning facility in Lala Garden Tsukuba (approximately 158 tons of CO<sub>2</sub> annually)</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of gas heat pump air conditioning facilities: 3 stores completed (reduction of 84 tons of CO<sub>2</sub> annually)</li> <li>* AEON Town Kumiya, Lala Garden Tsukuba, Hamamatsu Plaza Store</li> </ul>	×	<ul style="list-style-type: none"> <li>Gas heat pump air conditioning facilities: Replace at three stores (reduction of approximately 50 tons of CO<sub>2</sub> annually)</li> <li>LED lighting: Replace at 23 stores (reduction of approximately 300 tons of 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% (to June 30)</li> <li>Plastic bag non-purchase rate: 60% (from July 1 to February 28)</li> </ul>	<ul style="list-style-type: none"> <li>Plastic bag turndown rate: 7.6% (to June 30)</li> <li>Plastic bag non-purchase rate: 85.7% (from July 1 to February 28)</li> </ul>	○	<ul style="list-style-type: none"> <li>Plastic bag non-purchase rate: 88%</li> </ul>
Raising environmental awareness among employees				
	<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>Continue to carry out collection of empty contact lens cases companywide</li> </ul>	<ul style="list-style-type: none"> <li>Continued to disseminate information on environmental initiatives in internal newsletters (issued four times annually) and determined that monthly business communication is not needed</li> <li>Implemented collection of empty contact lens cases at all stores. Collected 23,000 cases, contributing to a reduction of approximately 60 kg of CO<sub>2</sub></li> </ul>	○	<ul style="list-style-type: none"> <li>Continue to raise employee awareness using internal newsletters (issued four times annually)</li> <li>Raise awareness further by participating in group-linked projects</li> </ul>

## Environmental Data

	Unit	FY2018	FY2019	FY2020
CO <sub>2</sub> emissions**1*2*3	t-CO <sub>2</sub>	15,822	14,645	13,703
CO <sub>2</sub> emissions from store operations (per store)**1*3	t-CO <sub>2</sub>	15,615 (142)	14,478 (124)	13,529 (116)
Electricity consumption in store operations**1	GWh	29	27	27
Water usage in store operations**1	1,000m <sup>3</sup>	28	20	15
Plastic bag turndown rate	%	5.6	6.1	7.6 (to June 30) 85.7 (from July 1 to February 28)

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

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

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Development of human resources				
	<ul style="list-style-type: none"> <li>Increase the number of sessions recommended for young employees and hold correspondence training twice a year</li> </ul>	<ul style="list-style-type: none"> <li>46 employees underwent correspondence training in FY2020. The number of course takers was lower than in the previous fiscal year, in part due to the COVID-19 pandemic</li> </ul>	×	<ul style="list-style-type: none"> <li>Consolidate twice-annual correspondence training to once annually and facilitate participation by switching to monthly recruiting</li> </ul>
Implementing fair assessment and treatment of employees				
	<ul style="list-style-type: none"> <li>Percentage of employees who take leave: 100%</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of employees who took leave: 100%</li> </ul>	○	<ul style="list-style-type: none"> <li>Percentage of employees who take leave: 100%</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>Keep each employee's monthly overtime below 6 hours</li> </ul>	<ul style="list-style-type: none"> <li>Monthly overtime per person: 3.18 hours</li> </ul>	○	<ul style="list-style-type: none"> <li>Keep each employee's monthly overtime below 6 hours</li> </ul>
Effective use of diverse human resources				
	<ul style="list-style-type: none"> <li>Stores without a part-time leader: 0</li> <li>Percentage of female managers (section manager or higher): 30%</li> </ul>	<ul style="list-style-type: none"> <li>Stores without a part-time leader: 6</li> <li>Percentage of female managers (section manager or higher): 23.1%</li> </ul>	×	<ul style="list-style-type: none"> <li>Stores without a part-time leader: 0</li> <li>Percentage of female managers (section manager or higher): 30%</li> </ul>
Assuring occupational safety and health				
	<ul style="list-style-type: none"> <li>Number of workplace accidents: Less than 30</li> </ul>	<ul style="list-style-type: none"> <li>Workplace accidents: 23</li> </ul>	○	<ul style="list-style-type: none"> <li>Number of workplace accidents: less than 30</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2021)		(persons)
Full-time employees**1		972
	Male	542
	Female	430
Part-time staff**2		1,688
	Male	81
	Female	1,607
Number of employees (full-time employees + part-time staff)		2,660
	Male	623
	Female	2,037
New graduate employees hired		96
	Male	51
	Female	45
Mid-career employees hired		11
	Male	6
	Female	5

	FY2018	FY2019	FY2020
Average length of service (full-time employees)	14 years 7 months	14 years 7 months	14 years 2 months
Number of full-time employees who took childcare leave (males, part-time staff)**3	73 (0, 41)	132 (0, 94)	124 (1, 80)
Number of full-time employees who took nursing care leave (males, part-time staff)**3	3 (0, 3)	1 (0, 1)	3 (0, 3)
Number of volunteer leave recipients	NA	NA	NA
Number of female managers (percentage)**4	189 (34.4%)	200 (36.1%)	199 (35.9%)
	Team leader	131 (49.2%)	139 (51.1%)
	Section manager	55 (22.3%)	56 (22.5%)
	Division manager	3 (8.1%)	5 (15.2%)
	Corporate officer**5	1 (7.1%)	2 (13.3%)
Percentage of employees with disabilities**6	2.10%	2.26%	2.79%
Percentage of paid leave taken by full-time employees	36.6%	38.6%	62.4%
Frequency rate of workplace accidents	0.34	0.33	0.86
Severity rate of workplace accidents	0.04	0.03	0.03

\*1 The figure includes 29 persons reemployed after mandatory retirement.

\*2 Monthly average, with 8 hours/day counted as one employee. Including 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.

\*5 The percentage of female corporate officers is as of May 31 of the following fiscal year.

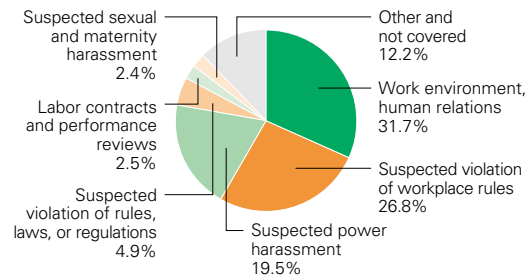
\*6 The percentage for the fiscal year is as of June 1 of the following fiscal year.

## Data from Helpline for Employees

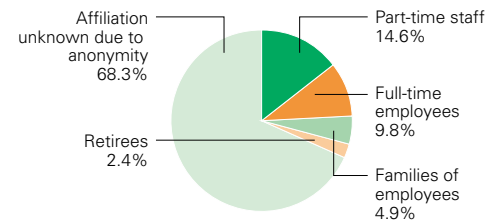
The total number of reports increased slightly from the previous fiscal year. The top categories of reports were “work rules, days off, time off, and overtime,” “work environment and human relations,” and “suspected power harassment.” Compared to the previous fiscal year, there was an increase in reports concerning “work rules, days off, time off, and overtime” in particular, and this was due to a large number of reports concerning overtime work, continuous leave programs, and work during the COVID-19 pandemic. There were no reports concerning serious misconduct.

Starting in FY2021, the internal reporting desk was discontinued and contact points were integrated into a Groupwide Employee Helpline from the perspectives of the direction of the Group as a whole and information management.

## Breakdown of reports by category for FY2020 Reports received: 41 (100% compared to the previous fiscal year)



## By user category



# Seven & i Food Systems Co., Ltd.

Website: <https://www.7andi-fs.co.jp/csr/> (in Japanese)

Number of stores as of fiscal year ended February 28, 2021: 614

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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Supporting childcare and elderlies				
	<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>	<ul style="list-style-type: none"> <li>The program was not implemented to prevent the spread of COVID-19</li> <li>Classes were not held to prevent the spread of COVID-19 (a new online format for conducting food education classes was established)</li> </ul>	<p>×</p> <p>×</p>	<ul style="list-style-type: none"> <li>Implement measures to prevent the spread of COVID-19 (shift to the earlier system as infection conditions in Japan settle down)</li> <li>Encourage food education classes using new formats without holding in-person classes (expand implementing stores from the Kanto region)</li> </ul>
Promoting regional development				
	<ul style="list-style-type: none"> <li>Investigations into new contract methods for expansion of and coexistence with rice production areas (multi-year contracts, etc.)</li> <li>Continue cooperation with municipalities 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>	<ul style="list-style-type: none"> <li>Introduced Akita rice, Miyagi rice, and Hokkaido rice and expanded purchasing regions. Concluded multi-year contracts with each producing region to purchase 10% of the annual rice purchase volume for three years to continue our efforts with producing regions</li> <li>With regard to childcare support, concluded comprehensive cooperation agreements with all local governments where Denny's has open stores. Also signed agreements with all municipalities to reduce food losses</li> <li>Made two donations to food banks</li> </ul>	<p>○</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>Develop menu items that use local ingredients limited to the region</li> <li>Continue cooperation with municipalities on childcare support and reducing food loss</li> <li>Expand the number of food banks to which food is donated and increase support for various regional welfare facilities</li> </ul>

## Providing Safety and Reliability through Products and Stores

### Data from Customer Support

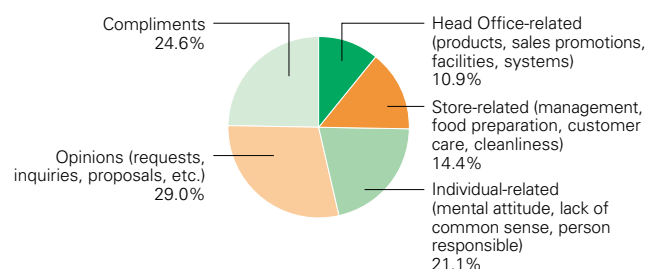
In FY2020, the number of complaints received decreased to 64.3% compared to the previous fiscal year, and the number of compliments increased to 104.4%. The top complaints related to food preparation were that the wrong food was served and preparation took too long, and the top complaints relating to customer contact were a lack of concern for the customer and errors concerning charges.

- Complaints: 4,754 cases in FY2019 to 3,055 cases in FY2020 (a decrease of 1,699 cases, or 35.7% from the previous fiscal year)
- Compliments; 1,028 cases in FY2019 to 1,074 cases in FY2020 (an increase of 46 cases, or 4.4% from the previous fiscal year)

In FY2021, 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 FY2020

Inquiries received: 7,309  
(up 23.1% from the previous fiscal year)



## FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Ensuring the quality and safety of products and services				
	<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. 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>	<ul style="list-style-type: none"> <li>The person in charge played a central role in comprehensively confirming and registering nutritional information in the e-BASE database</li> <li>Re-confirmed allergen information for all ingredients and completely reviewed operational rules for changing ingredients</li> <li>Store complaints: 64.3% compared to the previous fiscal year</li> <li>Number of compliments: 104.4% compared to the previous fiscal year</li> </ul>	<p>△</p> <p>△</p> <p>○</p>	<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</li> <li>Store complaints: 80% compared to the previous fiscal year</li> <li>Number of compliments: 110% compared to the previous fiscal year</li> </ul>
Providing appropriate information				
	<ul style="list-style-type: none"> <li>In the first half of FY2020, release 21 items equivalent to specified ingredients, with almonds added to the allergen information, on menu-related media and the website</li> </ul>	<ul style="list-style-type: none"> <li>From April 2020, release 21 items equivalent to specified ingredients, with almonds, on menu-related media and the website</li> </ul>	○	<ul style="list-style-type: none"> <li>In conjunction with display of the total price (including taxes) becoming mandatory in April 2021, the ratio of font sizes of the main price and the price including taxes displayed on menu media will be 10 (main price) to 7 (price including taxes)</li> </ul>
Responding sincerely to customers' opinions				
	<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>	<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>	○	<ul style="list-style-type: none"> <li>Continue sharing customer feedback on a weekly basis; all executive to participate in making improvements</li> </ul>
Providing support for disasters				
	<ul style="list-style-type: none"> <li>Continue to respond positively to requests from local governments to take in people who have difficulty returning to their homes following a disaster</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 respond positively to requests from local governments to take in people who have difficulty returning to their homes following a disaster</li> </ul>

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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Improving energy efficiency and introducing renewable energy				
	<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>	<ul style="list-style-type: none"> <li>Replacement of individual air conditioners (excluding repair) was suspended due to effects from the COVID-19 pandemic. Solar panels were installed at 2 stores in Kimitsu and Kuki</li> </ul>	△	<ul style="list-style-type: none"> <li>Install on a test basis air conditioning control devices that will lead to energy savings (target: 3 stores)</li> </ul>
Reducing waste and developing a circular economy				
	<ul style="list-style-type: none"> <li>Receive certification of food recycling loop for coffee grounds</li> <li>Food waste recycling rate: 56%</li> </ul>	<ul style="list-style-type: none"> <li>Preparations were made up to satisfying the conditions for certification, but were suspended by external conditions, so an application was not submitted</li> <li>Food waste recycling rate: 51%</li> </ul>	<p>△</p> <p>△</p>	<ul style="list-style-type: none"> <li>Receive certification of food recycling loop for coffee grounds</li> <li>Food waste recycling rate: 55%</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>Number of employees who take the Eco Test: 100 (promote examinations primarily for new employees in FY2019 and FY2020)</li> </ul>	<ul style="list-style-type: none"> <li>Number of employees who took the Eco Test: 188 (in principle, all employees hired in FY2019 and FY2020 took the test)</li> </ul>	○	<ul style="list-style-type: none"> <li>Change the test-taking format for the Eco Test to Internet based testing (IBT) in the first half and encourage employees, particularly new employees hired in FY2021, to take the test starting in the second half</li> </ul>

## Environmental Data

	Unit	FY2018	FY2019	FY2020
CO <sub>2</sub> emissions <sup>*1*2*3</sup>	t-CO <sub>2</sub>	69,638	64,894	51,533
CO <sub>2</sub> emissions from store operations <sup>*1*3</sup>	t-CO <sub>2</sub>	67,634	62,897	49,516
CO <sub>2</sub> emissions from delivery vehicles <sup>*1*3*4</sup>	t-CO <sub>2</sub>	1,845	1,856	1,906
Electricity consumption in store operations <sup>*1</sup>	GWh	118	115	96
Water usage in store operations <sup>*1*4</sup>	1,000m <sup>3</sup>	1,543	1,353	1,146
Waste disposal (recycling rate)	t (%)	10,021 (24.9)	8,959 (22.8)	7,454 (24.6)
Food waste recycling rate	%	49.5	55.3	50.8

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

\*2 The data represents CO<sub>2</sub> emissions stemming from the use of energy for store operations (Seven & i Food Systems) and by delivery trucks.

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

\*4 The values are for Denny's only.



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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Development of human resources				
	<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>	<ul style="list-style-type: none"> <li>• Practical training for store managers: Held 39 times (for 547 people)</li> <li>• Practical training for leaders and those in charge: Held 23 times (for 186 people)</li> <li>• Manager appointment training: Held 2 times (for 17 people) Training was postponed in conjunction with a review of the content of single course training</li> </ul>	<ul style="list-style-type: none"> <li>△</li> <li>○</li> <li>△</li> </ul>	<ul style="list-style-type: none"> <li>• Human resource development training for store managers: Held 35 times (for 396 people)</li> <li>• Development training for trainers on the manager and lower level: Held 21 times (for 195 people)</li> <li>• Manager appointment training: Held 16 times (to be held as appointed)</li> <li>• Young employee training <ul style="list-style-type: none"> <li>· Newly hired employees: Held 10 times (for 160 people total)</li> <li>· Employees in their second year of employment: Held 8 times (for 168 people total)</li> <li>· Employees in their third year of employment: Held 8 times (for 248 people total)</li> </ul> </li> </ul>
Implementing fair assessment and treatment of employees				
	<ul style="list-style-type: none"> <li>• Quantitative evaluation system launched (Denny's)</li> </ul>	<ul style="list-style-type: none"> <li>• Introduction was postponed, as the originally planned evaluation items had to be revised in line with changes in business performance</li> </ul>	<ul style="list-style-type: none"> <li>×</li> </ul>	<ul style="list-style-type: none"> <li>• After reviewing the evaluation items, the quantitative evaluation system will be launched starting with some employees</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>• Average monthly overtime <ul style="list-style-type: none"> <li>· Full-time employees: 15h</li> <li>· Contract employees: 15h</li> <li>· Part-time: 3h</li> </ul> </li> <li>• Monthly rate of leave-taking: 95% or more</li> </ul>	<ul style="list-style-type: none"> <li>• Average monthly overtime <ul style="list-style-type: none"> <li>· Full-time employees: 5.7h</li> <li>· Contract employees: 5.0h</li> <li>· Part-time: 1.1h</li> </ul> </li> <li>• Monthly rate of leave-taking: 97% or more</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>• Average monthly overtime <ul style="list-style-type: none"> <li>· Full-time employees: 6h</li> <li>· Contract employees: 5h</li> <li>· Part-time: 1.5h</li> </ul> </li> <li>• Monthly rate of leave-taking: 97% or more</li> </ul>
Effective 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: 10% Team leader or higher position: 30%</li> </ul>	<ul style="list-style-type: none"> <li>• Percentage of seniors employed: 7.9%</li> <li>• Number of foreign employees: 233</li> <li>• Percentage of female managers Section manager or higher position: 9.0% Team leader or higher position: 27.4%</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>×</li> <li>△</li> </ul>	<ul style="list-style-type: none"> <li>• Percentage of seniors employed: 7% or more</li> <li>• Number of foreign employees: 250</li> <li>• Percentage of female managers Section manager or higher position: 12% Team leader or higher position: 30%</li> </ul>
Assuring occupational safety and health				
	<ul style="list-style-type: none"> <li>• Number of occupational accidents at work: 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-up rate: 100%</li> </ul>	<ul style="list-style-type: none"> <li>• Number of occupational accidents at work: 208</li> <li>• Participation rate in regular health checks by employees: 98.9%</li> <li>• Participation rate in secondary health checks by employees: 68.6%</li> <li>• Participation rate in health checks by employees who work the late night shift: 87.7%</li> <li>• Stress check-up rate: 98%</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>△</li> <li>×</li> <li>△</li> <li>△</li> </ul>	<ul style="list-style-type: none"> <li>• Number of occupational accidents at work: 250</li> <li>• Participation rate in regular health checks by employees: 99.0%</li> <li>• Participation rate in secondary health checks by employees: 68.6%</li> <li>• Participation rate in health checks by employees who work the late night shift: 87.7%</li> <li>• Stress check-up rate: 98%</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2021)		(persons)
Full-time employees*1		1,094
	Male	891
	Female	203
Part-time staff*2		5,439
	Male	1,296
	Female	4,143
Number of employees (full-time employees + part-time staff)		6,533
	Male	2,187
	Female	4,346
New graduate employees hired		30
	Male	12
	Female	18
Mid-career employees hired		0
	Male	0
	Female	0

	FY2018	FY2019	FY2020
Average length of service (full-time employees)	15 years 2 months	15 years 10 months	16 years 6 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	54 (6, 38)	49 (1, 33)	53 (1, 40)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	0 (0, 0)	1 (0, 1)	0 (0, 0)
Number of volunteer leave recipients	4	4	0
Number of female managers (percentage)*4	268 (28.3%)	224 (25.5%)	199 (24.4%)
Team leader	259 (30.5%)	216 (27.4%)	192 (26.0%)
Section manager	8 (9.8%)	7 (9.0%)	6 (9.4%)
Division manager	1 (6.7%)	1 (7.1%)	1 (6.3%)
Corporate officer*5	4 (28.6%)	4 (26.7%)	4 (26.7%)
Percentage of employees with disabilities*6	2.74%	2.87%	2.82%
Percentage of paid leave taken by full-time employees	36.6%	58.2%	73.3%
Frequency rate of workplace accidents	0.85	1.18	0.65
Severity rate of workplace accidents	0.03	0.02	0.03

\*1 The figure includes 58 persons reemployed after mandatory retirement.

\*2 Monthly average, with 8 hours/day counted as one employee. Including 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.

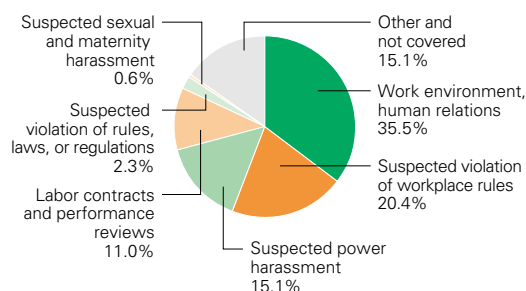
\*5 The percentage of female corporate officers is as of May 31 of the following fiscal year.

\*6 The percentage for the fiscal year is as of June 1 of the following fiscal year.

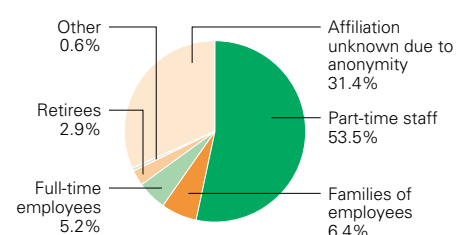
## Data from Helpline for Employees

In the first half of FY2020, there was a very large number of opinions and inquiries regarding the Company's responses to COVID-19, but the total number for the year was 168, down 17.2% from the previous fiscal year. However, the importance of improving work environments is increasing even more. As a result, we are focusing on harassment and the work-life balance to foster a corporate climate that values human resources and taking measures to encourage communication among colleagues in an effort to improve work environments.

### Breakdown of reports by category for FY2020 Reports received: 172 (down 16.9% from the previous fiscal year)



### By user category



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

### FY2020 Targets/Results and FY2021 Targets

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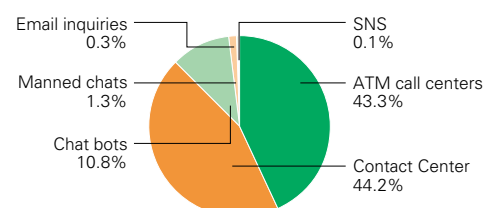
Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Supporting childcare and elderlies	<ul style="list-style-type: none"> <li>Continue to support raising next-generation children primarily through cooperation with the "Bonolon, Warrior of the Forest" picture book for reading aloud</li> </ul>	<ul style="list-style-type: none"> <li>Approximately 5 million copies of the "Bonolon, Warrior of the Forest" picture book for reading aloud were distributed for free</li> <li>Exhibited at Kids Festa and conducted a storytelling session with large picture books</li> <li>Seven Bank donated picture books to children's centers in proportion to the number of Bonolon cash cards issued</li> <li>Supported storytelling activities by members of the public by lending Bonolon large picture books to the private sector free of charge</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>No results as regional events were canceled due to the COVID-19 pandemic</li> </ul>	—	
Implementing crime prevention measures for local communities	<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>	<ul style="list-style-type: none"> <li>Made detection systems more advanced based on information from police, external expert organizations, and others</li> <li>In addition to disseminating the Company's expertise, actively cooperated with investigation agencies and business partners in investigations by using CCD images from ATMs</li> <li>Continuously held meetings of financial crime countermeasures investigation committees with business partners and shared information on financial crime countermeasures in an effort to curtail financial crimes</li> </ul>	○	<ul style="list-style-type: none"> <li>Continuously implement effective measures against increasingly sophisticated financial crimes and provide safe and secure payment environments to all customers</li> <li>Continuously gather information regarding the latest trends regarding crime and make further advances to detection systems</li> <li>Strive to eliminate financial crimes by utilizing external knowledge by accepting police personnel for training and reinforcing 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 improve, enhance, and expand services based on the customer inquiries. At the contact center, we are able to respond to inquiries in 10 languages.

### Breakdown of inquiries by category for FY2020 Inquiries received: 1,224,095 (up 11.0% from the previous fiscal year\*)



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

## FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>Expand the assumed scope of BCP and further strengthen the system</li> <li>Number of training sessions planned: 17</li> </ul>	<ul style="list-style-type: none"> <li>Began reviewing the assumed scope of BCP</li> <li>Strengthened the system by implementing more practical training</li> <li>Number of training sessions: 17</li> </ul>	○	<ul style="list-style-type: none"> <li>In conjunction with the expansion and enhancement of services, review the scope of BCP business and further reinforce systems</li> <li>Number of training sessions planned: 22</li> </ul>
Maintain more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> <li>Promote financial services to meet diverse needs</li> </ul>	<ul style="list-style-type: none"> <li>Began handling new services for foreign residents</li> <li>Expanded tie-ups with regional electronic currencies</li> </ul>	○	<ul style="list-style-type: none"> <li>Promote financial services to meet diverse needs</li> </ul>
Responding sincerely to customers' opinions				
	<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 multichannel inquiries, which are a match for the times</li> </ul>	<ul style="list-style-type: none"> <li>Provided a mechanism that enables customers to solve their own problems by maintaining a homepage and making quick announcements using apps</li> <li>Analyzed customer opinions, investigated ATM improvements, and continued implementation systems</li> <li>Created a new center system to respond to inquiries using means other than ATM interphones by shifting the focus from telephone to chat and other forms of text</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue initiatives to improve customer satisfaction</li> <li>Continue to perform analysis and consider improvements to make ATMs comfortable to use</li> <li>Ensure stable operation of the new center and establish a support channel system that responds to customer needs</li> </ul>

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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Measuring appropriately the environmental impact				
	<ul style="list-style-type: none"> <li>Continue measuring and disclose 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 3,845 tons of CO<sub>2</sub>)</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue measuring and disclose 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>Made meeting paperless, shifted to electronic procedures, and took other measures</li> <li>Number of pages used by multifunction printers: down 27.9% from the previous fiscal year</li> <li>Volume of paper ordered for office equipment: down 26.9% from the previous fiscal year</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>Recycled 100% of discarded ATMs</li> <li>When changing layouts, in general, use rented goods (to encourage reuse)</li> </ul>	○	<ul style="list-style-type: none"> <li>Recycle 100% of discarded ATMs</li> <li>When replacing office furniture, take comprehensive measures to reduce the volume of waste (purchase used items, recover, and recycle)</li> </ul>
Raising environmental awareness among employees				
	<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>	<ul style="list-style-type: none"> <li>Employees participated in a Kids Festa storytelling session</li> <li>Encouraged acquisition of eco-certification</li> </ul>	○	<ul style="list-style-type: none"> <li>Hold study groups and the like to address social and environmental issues</li> </ul>
Offering eco-friendly products				
	<ul style="list-style-type: none"> <li>Promote replacement installations of energy-saving 4th-generation ATMs</li> </ul>	<ul style="list-style-type: none"> <li>Install 6,020 4th-generation ATMs, which save energy by approx. 40% (as of the end of March 2021)</li> </ul>	○	<ul style="list-style-type: none"> <li>Promote replacement installations of energy-saving 4th-generation ATMs</li> </ul>

## Environmental Data

	Unit	FY2018	FY2019	FY2020
Electricity use at the offices*	MWh	1,143	1,141	1,125
Volume of paper ordered for office automation equipment	1,000 sheets	4,804	3,298	2,410

\* 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

### FY2020 Targets/Results and FY2021 Targets

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

Challenges	FY2020 Targets and Plans	FY2020 Results and Outcomes	Evaluation	FY2021 Targets
Development of human resources				
	<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</li> <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>	<ul style="list-style-type: none"> <li>• Increase opportunities for personnel exchange both internally and externally, and continue to provide a workplace that trains employees and supports the growth for independent leaders of next-generation</li> <li>· Conducted training on managing subordinates</li> <li>Number of training participants: 50</li> <li>· Created videos introducing each department and conducted group training such as online puzzle-solving games so that newly hired employees can quickly integrate into the organization</li> <li>Number of training participants: 38</li> <li>· Dispatched employees to four training courses for managers</li> <li>Number of training participants: 5</li> </ul>	○	<ul style="list-style-type: none"> <li>• Create opportunities for continuous growth</li> <li>· Establishment of workplaces in which employees can take the initiative and learn from experience</li> <li>· Provision of an environment in which employees can choose educational content to suit their preferences and growth</li> <li>· Revision of educational content putting the focus on digital transformation and the reacquisition of skills</li> <li>· Establishment of platform to foster employees and promotion of the intensive management and visualization of work experience and training history</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>• Restrictions on the number of times that the work from home system can be used were temporarily lifted</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> <li>• Revise the work from home system so that it can be used by all employees</li> </ul>
Effective use of diverse human resources				
	<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</li> <li>[As concrete measures]</li> <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 working hours arrangement</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted lifelong planning seminars</li> <li>• Implemented internal communication promotion measures</li> <li>· Seven Mirai Conference (a dialogue and exchange of opinions by the president with young employees)</li> <li>• Measures to enhance engagement were continued</li> <li>· Conducted engagement survey</li> <li>· Conducted internal recruitment</li> <li>• Invigorated the company through timely and appropriate recruitment</li> <li>• Encouraged communications using internal social media and other ICT tools</li> <li>• Operated staggered working hours for moving forward or back work start and end times</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>• Enhance the content of lifelong planning seminars</li> <li>• Use ICT tools to activate inner communication</li> <li>• Conduct initiatives to improve the engagement</li> <li>[As concrete measures]</li> <li>· Expand the subjects of the engagement survey and regularly conduct every three months</li> <li>· Improve work environments</li> <li>• Expand staggered working hours for moving forward or back work start and end times</li> </ul>
Assuring occupational safety and health				
	<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: 70.5% * As of March 31, 2021</li> <li>• Conducted monthly reporting of long working hours by managers and collected reports on the reasons for long hours</li> <li>• Conducted stress check ups</li> </ul>	○	<ul style="list-style-type: none"> <li>• Improve rate of paid leave taken (encourage employees to take five consecutive days of leave)</li> <li>• Appropriately manage working hours and implement measures to reduce long working hours by recording work computer startup and shutdown times</li> <li>• Conduct stress check ups</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2021)		(persons)
Full-time employees*1		403
	Male	281
	Female	122
Contractual/part-time employees*2		68
	Male	8
	Female	60
Number of employees (full-time employees + contractual/part-time employees)*3		471
	Male	289
	Female	182
New graduate employees hired		12
	Male	6
	Female	6
Mid-career employees hired		39
	Male	24
	Female	15

	FY2018	FY2019	FY2020
Average length of service (full-time employees)*4	8 years 3 months	8 years 0 month	8 years 2 months
Number of full-time employees who took childcare leave (males, contractual/ part-time employees)*5	12 (2, 4)	11 (1, 4)	19 (5, 4)
Number of full-time employees who took nursing care leave (males, contractual/ part-time employees)*5	0 (0, 0)	0 (0, 0)	0 (0, 0)
Number of volunteer leave recipients	8	13	0
Number of female managers (percentage)*6	55 (19.4%)	60 (24.0%)	65 (25.2%)
Team leader	34 (32.1%)	38 (37.3%)	41 (38.7%)
Section manager	20 (12.2%)	22 (16.3%)	24 (18.2%)
Division manager	1 (7.1%)	0 (0.0%)	0 (0.0%)
Corporate officer*7	3 (12.0%)	3 (13.0%)	3 (13.0%)
Percentage of employees with disabilities*8	2.31%	2.20%	2.06%
Percentage of paid leave taken by full-time employees	75.7%	78.2%	69.9%
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	3	11	4

\*1 The figure includes 33 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, excluding corporate officers.

\*7 The percentage of female corporate officers is as of May 31 of the following fiscal year.

\*8 The percentage for the fiscal year is as of June 1 of the following fiscal year.