

Overseas Initiatives

Business Operations in North America

Seven & i Holdings operates convenience stores in North America.



7-Eleven, Inc. >

Net sales: ¥6,463,000 million (Total store sales)
Number of stores: 13,213



SEVEN-ELEVEN HAWAII, INC. >

Net sales: ¥39,985 million
Number of stores: 65

* Exchange rate USD1 = ¥109.90
* Net sales and number of stores as of December 31, 2021

Initiatives in China

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

Convenience Store Business >



SEVEN-ELEVEN (BEIJING)

Net sales: ¥22,331 million
Number of stores: 304
Established: January 2004



SEVEN-ELEVEN (TIANJIN)

Net sales: ¥3,405 million
Number of stores: 200
Established: November 2012



SEVEN-ELEVEN (CHENGDU)

Net sales: ¥3,733 million
Number of stores: 84
Established: December 2010



Chengdu Ito-Yokado Co., Ltd.

Net sales: ¥71,250 million

Number of stores: 10

Established: December 1996



Hua Tang Yokado Commercial Co., Ltd.

Net sales: ¥5,439 million

Number of stores: 1

Established: September 1997

* Exchange rate of CNY1 = ¥17.04

* Net sales does not include value added tax

* Net sales and number of stores as of December 31, 2021

7-Eleven, Inc.

Reducing Environmental Impact

7-Eleven, Inc. (SEI), our push to reduce the impact on the planet without compromising customer needs, quality or safety is a key driver of our innovation. The company's programs to help make electric vehicle (EV) charging more convenient, reduce plastic usage and packaging material waste, reduce CO₂ emissions from stores and ensure the procurement of sustainably sourced food ingredients make it easier for customers to do good simply by shopping with us.

【Environmental Goal】

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



Collaboration with External Organizations

To enhance our role as a positive steward of the environment, SEI is a member of the Retail Industry Leaders Association's Retail Sustainability Initiative (RSI). RSI is an industrywide 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 environmental social governance challenges. Beginning in 2021, SEI joined the Clean Energy Buyers Alliance (CEBA). CEBA is a membership association bringing together over 200 stakeholders from the commercial and industrial sector, nonprofit organizations, and energy and energy-service providers. Their vision and mission is to create a resilient, zero-carbon energy system where every organization has a viable, expedient, and cost-effective pathway to renewable energy.

Promoting Energy Conservation and Reducing CO₂e Emissions

SEI is committed to reducing energy consumption and improving efficiency and set a goal to reduce energy related CO₂e emissions from stores by 50% by 2030, compared with FY2013 levels. In FY2021, through its emission reduction measures, SEI reduced its CO₂e emissions by 147,600 MTCO₂e year over year from FY2020 and by 375,300 MTCO₂e from FY2013. SEI reduced CO₂e emissions by 27% from FY2013 to FY2021. This is equivalent to greenhouse gas emissions from approximately 80,000 passenger vehicles for one year.

Use of Low Global Warming Potential Refrigerant

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

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. As of December 2021, more than 7,700 stores featured LED lighting, helping to reduce energy consumption in stores. 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)

Heating and cooling efficiency is another effective measure SEI implements to decrease its overall energy consumption. Since 2008, more than 10,800 high efficiency HVAC units have been installed, enabling stores to achieve energy savings while maintaining a quality shopping environment.

Energy Management Systems (EMS)

SEI implemented energy management systems (EMS) in stores to monitor, control, and optimize performance of HVAC and refrigeration equipment. Currently, more than 6,900 stores have EMS installed — combining with the installation of energy-efficient HVAC units contributes to achieving energy savings. To reduce water consumption, we're installing low-flow aerator faucets as part of our standard energy-efficient design plan for all new stores.

Expanding Renewable Energy

While maintaining the company's commitment to energy conservation projects, SEI is also focused on expanding its renewable energy initiative. Approximately 21% 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 FY2021, SEI purchased more than 318,000 MWh renewable energy from TXU Energy and provided it to more than 860 stores in Texas. This wind energy program accounted for 47% of all 2021 renewable energy while providing significant operating expense savings.

In FY2020 SEI 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). The FY2021 solar energy from these agreements yielded 92,800 MWh or 13.5% of all renewable energy consumed by SEI.

Additionally, in FY2021 the company entered into agreements for over 60,000 MWh of off-site wind energy in Illinois as well as community solar projects in Oregon which are expected to provide an additional 2,500 MWh of renewable energy in 2022.



Wind turbines in Texas



Large-sized solar power generation facility in Florida



Red Prairie Community Solar project in Oregon

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 in FY2021 was 30,900 MWh and powered the load for more than 140 stores.

Electric Vehicle Charging Stations

SEI has always innovated to make things easier for customers, and that includes giving customers alternative fuel options. In 2021, the company announced its ambition to build at least 500 electric vehicle (EV) ports – compatible with multiple vehicle models – at 250 select U.S. and Canada stores. With more than 31 ports installed at 17 stores thus far, there have been 2,800 customer charging sessions in 2021 with ~160,000 electric miles charged. While the industry-wide supply chain issues of 2021 added additional headwinds, new and expanded teams are now in place to accelerate installation plans and progress is expected to pick up in 2022 across Texas, Florida and the Pacific Northwest.



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	FY2021 ^{*4}
Number of stores within scope ^{*1}	9,389	9,149	9,387	13,043
GHG emissions ^{*2} (market-based) (1,000 t-CO₂e)	961	819	759	1,002
CO₂ emissions ^{*2,3} (market-based) (1,000 t-CO₂)	959	817	755	997
Electricity consumption ^{*2} (GWh)	2,383	2,306	2,306	3,213
Water usage ^{*2} (1,000 m³)	11,365	10,892	10,637	10,544

*1 Number of stores covered within scope of CO₂ 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

*4 Includes Speedway stores

➤ [Third-Party Verification Report](#) 

Eco-friendly Packaging

SEI continually looks for ways to improve product packaging by using eco-friendly materials, reducing content, and decreasing the use of plastic whenever possible. Many of our eco-friendly packaging solutions include renewable or recycled content or are derived from sustainable resources. We work hard to reduce packaging materials whenever possible without compromising product quality or safety. Our goal is to shift to eco-friendly packaging for 50% of Private Brand products by 2030.



[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 more environmentally friendly packaging. These 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, SEI reduces packaging without compromising product quality or safety.

Innovating with Plant-Based Plastic

SEI introduced a new, plant-based fountain straw, for cold dispensed beverages. The new straw material is derived from raw materials such as corn and may avoid up to 1 million pounds of petroleum-based plastic per year.



Poly-lactic acid (PLA) straws

Reducing Virgin-Plastic in Bags

SEI's plastic bag made from 40% post-consumer recycled plastic was recently rolled out nationally in the U.S. Using 40% recycled plastic content helps reduce SEI'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 avoided approximately 500 tons of virgin plastic use per year.

Several markets in the U.S. and all markets in British Columbia have transitioned to paper carryout bags and eliminated single-use plastic bags entirely.



A plastic bag using 40% recycled plastic

Increasing Post-Consumer Recycled Content

Furthering its efforts to use recycled material, 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.

In Canada, all sandwich packaging now uses recycled Canadian plastic in place of virgin plastic. SEI will continue to evaluate additional opportunities to increase PCR in packaging.



Sandwich packaging (Canada)

Eliminating Plastic

Seeking continuous improvements in packaging led to additional progress in eliminating or reducing plastic. SEI created a new, lighter-weight fountain cup that uses less plastic. The change may avoid up to 1.1 million pounds of virgin plastic annually. SEI also replaced its fresh food platter base with a lightweight paper corrugate alternative. In addition, the plastic lid for the platter was reduced in size.



New lighter-weight fountain cups

Reducing Packaging Materials

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. SEI replaced large plastic chicken wing box with paper corrugate alternative, eliminating up to 437,000 pounds of plastic annually. The new paper alternative is certified by the Sustainable Forestry Initiative. In Canada, multiple food packaging replacements (hot dog, pizza, chicken burger & cookie boxes) have prevented more than 8 million hard-to-recycle black plastic boxes from the waste stream each year.



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

Sustainable procurement is another key component of SEI's strategy to reduce its environmental footprint across the entire store network and supply chain. In 2021 SEI continued to expand its sustainably-sourced coffee program by adding its latest variety of 7-Reserve™ premium coffee. The new brew comes from the Huehuetenango region, is Rainforest Alliance Certified™, and is made from single-origin, sustainably sourced, 100% Arabica beans. The beans are fully cultivated and processed on small farms, which means that with every cup, customers are supporting farms and sustainable farming methods with their purchases.

* 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.



New variety of 7-Reserve™ premium coffee

Supporting Local Communities (U.S. & Canada)

Since 1927, SEI has been dedicated to making life more convenient for our customers. Today, with more than 13,000 locations across the U.S. and Canada, we continue to lead through service, no matter how big the challenge. From strengthening our communities through our signature outreach programs to stepping up during the COVID-19 pandemic with vital supplies and aid, SEI is making a big impact. Throughout 2021, SEI's commitment to our communities grew in new ways to become stronger than ever. Through signature programs such as Operation Chill and Project-A-Game, as well as charitable donations and events, volunteer efforts and in-store fundraising, the 7-Eleven family of brands provided support to thousands of communities across the country.



Fighting Hunger

SEI continued its long-standing support of hunger relief by holding multiple events for organizations working to address food insecurity. SEI has been working with Feeding America for 21 years, supporting its nationwide network of 200 food banks, which provide meals to more than 40 million people each year through national and local donations, volunteer efforts, and more. In FY 2021, SEI implemented a variety of initiatives in partnership with Feeding America® and Food Banks of Canada Highlights include:

- Donated \$100,000 to Feeding America in honor of 7-Eleven's 94th birthday on July 11*
- Franchisees and store associates, vendors and SEI contributed an additional \$1.8 million to Feeding America through a number of in-store campaigns in 2021. This donation will help provide at least 18 million meals for families in need across the country.*
- 7-Eleven Canada and its customers donated more than 320,000 meals in 2021 to Food Banks Canada.

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



North Texas Food Bank

Through two separate outdoor food drive events at the Irving Store Support Center — the first in April and the second in November — the team donated more than 6,500 pounds of food. When combined with the company's \$20,000 cash contribution, as well as the additional funds many associates donated directly to North Texas Food Bank online, the total impact was 79,430 meals for local families.



Outdoor food drive events at the Irving Store Support Center

Supporting Communities During Disaster Relief

Each year, the Red Cross responds to more than 60,000 disasters — including home fires, hurricanes, floods, earthquakes, tornadoes and wildfires. In 2021, 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.



**American
Red Cross**

Developing Youth Through Education

For many years, Project A-Game (PAG) grants have helped 7-Eleven® (and now Stripes®) stores cultivate positive relationships within neighborhoods and provide youth development opportunities in education, fitness, safety and hunger relief. PAG grants are also instrumental in supporting the opening of new stores as they seek to foster community connections.

In FY2021, 434 grants were awarded to community organizations, totaling more than \$390,000. From the Uniondale Little League in Uniondale, N.Y., to the Reeves Elementary School STEM program in Woburn, Mass., to many more programs across the country, PAG grants help to keep kids learning, growing and having fun all year long. Since its inception, 7-Eleven® and Stripes® stores have awarded more than 5,000 grants, a community investment of \$3.5 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 and Foster Community Connections

A tasty reward for staying cool – that’s Operation Chill®! Designed to enhance relationships between police and young people, Operation Chill allows law enforcement officers to reward kids they observe doing good deeds or exhibiting positive behavior with a coupon good for a free small Slurpee® drink at any participating U.S. 7-Eleven® store. In addition to recognizing great kids, Operation Chill provides opportunities for officers to establish a positive connection with kids in their neighborhood. The reasons for being rewarded coupons are varied — wearing a helmet while riding a bike, picking up litter, helping a neighbor or holding the door open — but the result is the same for every child: A free Slurpee® drink and a smile for a good deed.

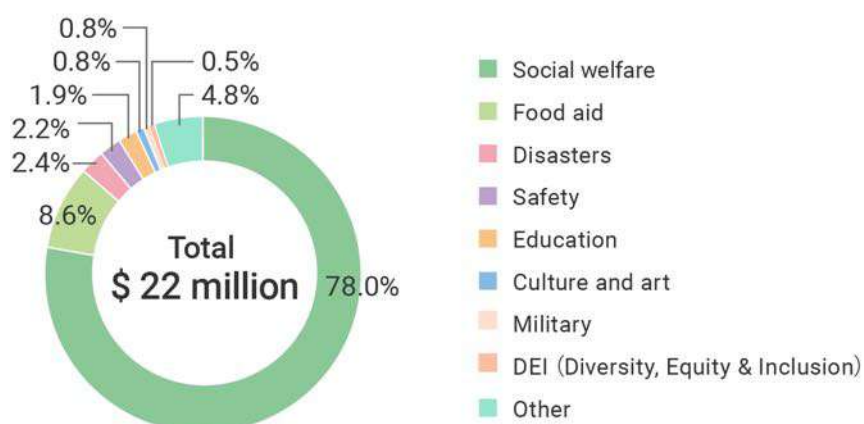
Founded in Philadelphia in 1995 with a goal to give law enforcement officers a positive way to interact with children and teens, SEI's long standing community outreach program has grown to reach more than 1,100 local law enforcement agencies across the country. Through Operation Chill, SEI has donated more than 23 million free Slurpee drink coupons to law enforcement agencies in communities across the country. After 25 years, the Operation Chill program was completely reimagined into an all-new digital experience, complete with the launch of www.7-elevenoperationchill.com, where law enforcement agencies could easily register online, request Slurpee® drink coupons, and access best practices, tools and tips for making Operation Chill a success in their local communities.

The Operation Chill branding also received an updated logo and new social media assets, ensuring that the program continues to remain fresh, fun and engaging for the next generation of youth. As a result, participation from law enforcement agencies has increased (with almost 300 more agencies participating in 2021 than in previous years) and coupon redemption is up 70% over 2020.



new social media sites (left) and distribution of reward coupons (right)

Social Contribution Cost in the fiscal year ending February 28, 2022 (in the U.S. and Canada)



Our Commitment to a Diversity and Inclusion

As the recognized industry leader, we have an obligation to lead the way in diversity, equity and inclusion. It's not only the right thing to do, it's a business imperative. After all, customers and the neighborhoods we serve are highly diverse — and getting more so every day. As a customer-obsessed organization that challenges the status quo and recognizes that people drive our success, the 7-Eleven family of brands is committed to taking bold action to build an inclusive culture that champions diversity.

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, SEI created our Equality & Diversity Task Force and Roundtable. This dedicated team of leaders representing different areas within SEI 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.

In FY2021, SEI celebrated and recognized diverse groups and individuals within SEI through a variety of programming:

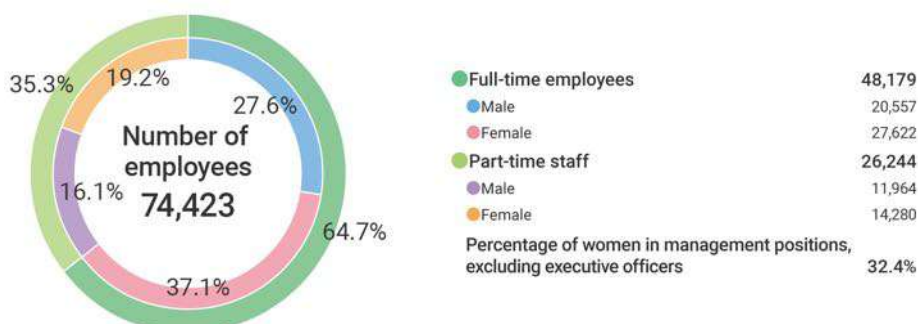
- Monthly awareness and engagement campaigns highlighting multicultural commemoration months such as Black History, Women's History, Pride, Asian American and Pacific Islander, Jewish American, National Arab American, Hispanic Heritage and Native American Heritage — just to name a few.
- Demonstrating SEI's commitment to veteran-friendly organizations with events and content to honor the service and sacrifice of military heroes and their families. Developed in partnership with the SEI's Veterans Outreach Organization, highlights included Military Appreciation Month, Memorial Day, Rolling Remembrance and Veterans Day.

The latest "Take it to Eleven" integrated marketing campaign featured all-female low rider enthusiasts in Los Angeles biking to a 7-Eleven for Big Gulps. Designed to showcase the spirit of taking things up a notch, the campaign shined a light on our customers' ability to take things one step further with ad spots featuring different cultures expressing themselves



Diversity, equity and inclusion campaigns

Personnel data in the U.S. and Canada (as of the end of December, 2021)



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

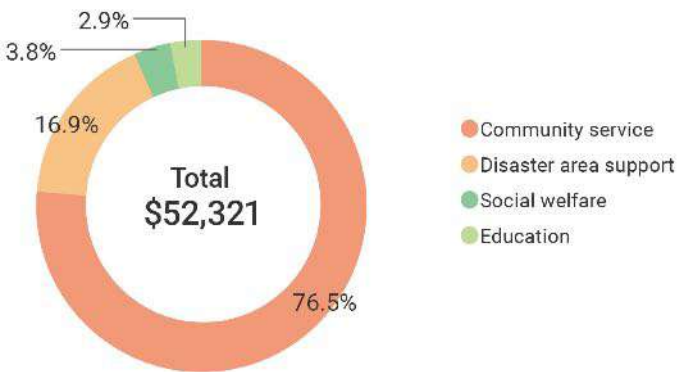
These values define SEH as a business for the community, for partners and for employees. The practice of Our Promise then becomes the cornerstone for the words and actions of employees. To promote "Our Promise," the company started a program for recognizing exceptional employees. First, all employees 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 announced on an employee-only Facebook page.



Thriving with Local Communities

As a good corporate citizen, SEH supports activities and NPOs involved with children, education, public welfare, and health. In FY 2021, the equivalent of approximately \$103,220 in support was provided to 35 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 (FY2021)



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 FY2021, approximately \$75,500 was donated.

Community Support through the Pandemic

SEH has continued its commitment to the community by partnering with Community Empowerment Resources (CER) as they sought personal protective equipment to reduce the risk for employees and clients during the COVID-19 pandemic. CER is a locally operated non-profit based in Honolulu known for its dedicated efforts to provide inclusive care to individuals who are diagnosed with illnesses that commonly lead to homelessness.

SEH harnessed the power of the community and partnered with vendors in a series of collaborative donations; first donating 10,000 face coverings in July 2021; followed by a contribution of 500 hand sanitizers in September 2021. These efforts helped to ensure that Hawaii's most vulnerable populations are cared for throughout the pandemic during a time when many non-profits were seeking community support.

Sponsoring Health Conscious Culinary Competition for Students

On December 3, 2021, SEH along with the University of Hawai'i held its 4th annual Healthy Recipe Culinary Competition.

The criteria for the competition was more difficult than ever before: students had to create a better-for-you plant-based bento or entrée. In addition to the no-meat requirement, students were tasked with using a minimum of two locally grown, caught, or raised ingredients. As in previous years, SEH's Merchandising Team meets with students from Kapiolani Community College and Leeward Community College to share its food development process to help them prepare for the competition.

After a tough deliberation, the judges from SEH and Warabeya USA awarded the first-place prize to Kaleb Molina, a Leeward Community College student participating in the competition for the second time. Last year, he entered with a Kalua Pork Hash Patty and Kim Chee Fried Rice Bento, but his Vegan Rigatoni Bolognese took the top spot in 2021. "The previous year I entered, and it was a fun and educational experience. This year when I entered again, learning that my dish won, the feeling is indescribable!" Customers could try this new dish starting on March 29, 2022.

Kapiolani Community College's Avery Serna grabbed second place with his Vegan Fried Tofu and Gomoku Rice Bento. "I am passionate about Japanese cuisine, and when creating the recipe for this contest and thinking about healthy pairings for tofu, my first thought was flavorful rice," says Serna, who received his advanced training certificate from Kapiolani Community College's culinary program and hopes to move to Japan to specialize in Japanese cuisine. "The tofu is a soy-based marinade, so I needed something sweet to balance it against. The naturally sweet vegetables in the rice made the most sense. Even though it is vegan, I hope people feel the familiarity and want to eat this product without feeling guilty about the nutritional side of it." Serna was thrilled when his dish was introduced on June 13, 2022.



Culinary competition 1st place winner



2nd place: Vegan Fried Tofu and Gomoku Rice Bento



Culinary competition 2nd place winner

Rallying the Community for Hawaii's Families

Each year in August, SEH hosts a major collection effort to support a local non-profit that includes two key initiatives: a Golf Tournament with the proceeds dedicated to the non-profit, and a donation canister collection. Family Promise of Hawaii's mission to help homeless and low-income families achieve sustainable independence by mobilizing existing community resources and support including shelter, food, and emergency care.

In combination with the proceeds from the tournament and customer contributions from the monthly canister, SEH awarded Family Promise of Hawaii \$49,742. These funds will be spent at the Drop-In Day Center located in Honolulu where individuals can go for access to the internet, showers, and laundry facilities as well as food and hygiene products for families.

Helping Hawaii's Families Celebrate a Bright Holiday Season

SEH partnered with non-profit Keiki O Ka 'Aina in December 2021 to support their mission to educate children, strengthen families, enrich communities, and perpetuate the Hawaiian culture by empowering Hawaii's families to undertake leadership roles in their communities. At the heart of all the enrichment practices is the Hawaiian language, tradition, and values.

Keiki O Ka 'Aina hosts a major "adopt-a-family" campaign each holiday season, where generous community members can anonymously gift necessities to a family in need. To support this campaign, SEH made a donation of \$40,000 and sponsored a "Winter Wonderland" at Windward Shopping Center to support the cause on December 4, 2021.

In addition, Store Support Center members participated in the "adopt-a-family" initiative and collectively donated approximately \$1,250 in retail value of supplies and other essentials to help a worthy family. As a result of these combined efforts, SEH was recognized as the largest single donor to Keiki o Ka Aina on KHON2 during the evening news in December.



Partnering with Keiki O Ka 'Aina

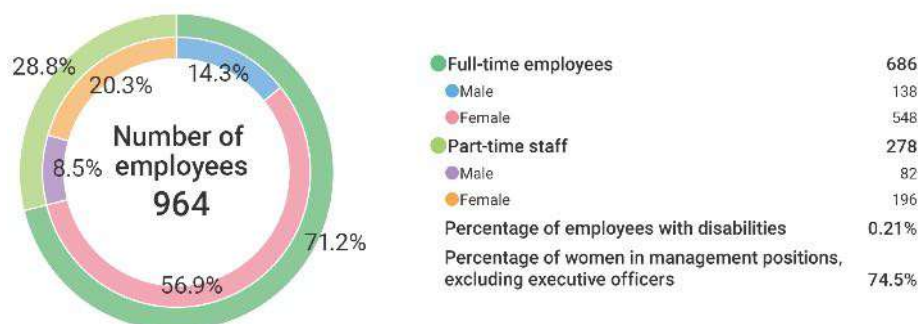


Sponsoring "Winter Wonderland"

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, 2021)



Reducing Environmental Impact



Plastic Countermeasures

SEH continues its plastic reduction efforts in 2021 with its cold beverage cups.

In quarter three of that year, all 65 stores transitioned its Big Gulp® and Slurpee® cups from plastic to paper. Concurrently, all plastic lids were replaced with PLA lids. To reflect SEH's "Your Neighborhood Store" theme, cup designs were inspired by Hawaii's lifestyle and culture. Using 2013 as the base year, this change resulted in a net CO₂ emissions reduction of 5 metric tons, a 97% reduction (cold cups & lids). They will continue to focus on ways to further decrease plastic use in addition to energy reduction.



Big Gulp® cup



Slurpee® cups

【Examples of other 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

Number of SEH Stores and Environmental Data Associated with Store Operations

	FY2018	FY2019	FY2020	FY2021	FY2022 target
Number of stores	64	66	65	65	67
Electricity consumption (MWh)	18,425	18,849	18,099	18,156	18,435
Water consumption (thousand m ³)	51	50	51	55	57

Major Awards and Recognition in FY2021

Recognition or Award Name	Award Sponsor	Reason
1st place: Best Spam® Musubi 1st place: Best Convenience Store	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

Providing Safe and Reliable Products

In China, where concerns over food safety and reliability have been mounting, SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) work to provide safe and reliable products by leveraging quality management and product development capacities cultivated in Japan.



Product Quality Management

For private brand products sold at SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU), strict criteria are applied in the selection of raw materials, and manufacturing plants are screened for items such as experience in exporting to Japan to select plants with high quality levels.

● Introduction of Quality Management System

Factories that manufacture only private brand products are strengthening quality control by adopting international systems for food safety management and measures taken at Japanese factories. SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (TIANJIN) manufacturing factories, Beijing Wang-Yang Foods and JEANAVICE Factories, obtained "SC" food production license for chilled food in January 2017, earlier than their peers. SC is a Chinese law regarding food production that must be obtained by October 2018, switching from the previous "QS" food quality and safety license.

In addition, Q's Café Factory and Beijing Want-Yang Foods obtained HACCP^{*1} certification in March 2017 and March 2018, respectively. Beijing Want-Yang Foods began conducting ATP wipe inspections in November 2021, and is working to manufacture safer and more secure products. In October 2021, additional pillow wrapping machines were introduced, and burgers and rolls that were previously manufactured by hand are now being converted to pillow wrapping. SEVEN-ELEVEN (CHENGDU) also asks its suppliers to comply with its own standards, which are stricter than domestic laws and regulations, and also holds regular quality control workshops for store employees to ensure safety and security.

● Automation of Production Processes

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) are automating their manufacturing processes to further stabilize the taste and quality of their products. Chengdu Yonglida Food Limited Company, which supplies products to SEVEN-ELEVEN (CHENGDU), expanded the installation of rice ball molding and packaging machines in July 2018 and adopted noodle-making machines in 2019. In 2020, the company is expanding its cooking facilities and continuing to implement the offering of completely new and unique products in addition to improving quality. Beijing Want-Yang Foods has mechanized its cooked bread manufacturing plant, which began full-scale operations in March 2019, focusing on the bread-making process and product packaging. SEVEN-ELEVEN (CHENGDU) is working on activities to help improve the temperature control level and safety of its products by enhancing its cooling facilities and in-place cooling system to ensure product safety, following the automation of processes at its manufacturing plant. At the same time, the production management department and SEVEN-ELEVEN (CHENGDU) employees hold monthly study sessions to improve product quality and stability. SEVEN-ELEVEN (TIANJIN) has been selling salads using the cold chain since July 2019.

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

Giving Consideration to Health

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) began displaying calories on the surface of packages for sandwiches and salads in the second half of FY2021, and also began releasing room temperature bread from the Zero Sugar series in April 2022. In the future, it plans to launch salads made with plant meat. Furthermore, SEVEN-ELEVEN (TIANJIN) is launching lunchboxes such as cereal rice and salads rich in 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.

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) 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 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 2021, they presented awards to five individuals who demonstrated excellent customer service, and to three outstanding stores.

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.



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 FY2021, 51,231 yuan was donated.

Donation amounts to Beijing Green Fund

FY2019	FY2020	FY2021
100,996 yuan	49,410 yuan	51,231 yuan

Support for Children

Since 2013, SEVEN-ELEVEN (CHENGDU) has continuously provided support for Benevolence House, a home for children with brain disorders. In FY2020, due to the impact of the spread of the new coronavirus infection, two employees volunteered to represent the company and visited Benevolence House to donate household items, etc. In FY2021, as the coronavirus disaster continued, a designated employee represented the company and visited Benevolence House to donate household items, etc.

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

FY2019	FY2020	FY2021
2,000 yuan	1,990 yuan	1,891 yuan



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 (FY2021)

	SEVEN-ELEVEN (BEIJING)	SEVEN-ELEVEN (TIANJIN)	SEVEN-ELEVEN (CHENGDU)
Full-time employees (Men/Women)	338 (178/160)	154 (58/96)	145 (47/98)
Part-time staff	359	75	65
Percentage of employees with disabilities	3.10%	3.05%	1.43%

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%

Support for Enhancing the Abilities of Employees

Operations field counselors (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.

To shorten the OFC training period, SEVEN-ELEVEN (BEIJING) provides training and testing on relevant knowledge of OFC at the stage of training store managers. In addition to traditional knowledge acquisition, role-playing is also incorporated, with store managers acting as OFC and providing on-site guidance on management issues submitted by the franchise store owner. At the same time, store managers travel with experienced trainers to experience existing OFC operations. In order to improve the effectiveness and efficiency of OFC training, SEVEN-ELEVEN (BEIJING) has also introduced an online platform to our traditional training methods, using case studies, simulations, study sessions, on-the-job training, and other training methods to help store managers, our priority target for OFC training, learn OFC operations better. Case studies and simulations are also used in the OFC test content so that managers can apply what they learn on the job.

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 OFCs' 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 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. SEVEN-ELEVEN (BEIJING) is utilizing employee feedback to improve actual operations by encouraging the institutionalization of probationary and consideration period interviews for new employees, contract renewal interviews, and retirement interviews. In addition, it holds a retirement party to show appreciation for the many years of service to the company and to express the spirit of "valuing 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 meetings to promote closer interaction and socialization
- Conduct questionnaires on motivation
- Share role models by giving awards to excellent employees



Retirement party

Fair Evaluation and Remuneration

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVENELEVEN (CHENGDU) have adopted an employee evaluation system that combines monthly interview evaluations and yearly evaluations. Monthly interviews are conducted between employees and their direct supervisors to discuss the rate of progress toward their performance goals. In addition, once each year, after self-assessments are carried out by each employee, interviews and evaluations are then conducted by the direct supervisor and a secondary, higher-level supervisor. Monthly evaluations are based on company, divisional, and individual performance. 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, it implemented only annual evaluations and interviews due to the influence of COVID-19. It is 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, in FY2021, it conducted annual performance evaluations and interviews, took a questionnaire on career planning in line with the expansion into new areas in Hebei Province, and developed a preliminary plan for new areas in accordance with business needs and individual motivation. In 2021,

SEVEN-ELEVEN (TIANJIN) reviewed the self-check system and evaluation items at headquarters and stores, and made improvements to ensure fair and equal evaluation standards. For example, in the evaluation of directly managed store managers, it has created a system that combines monthly rankings of management figures and basic evaluations to serve as criteria for promotion and demotion.

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. In FY2021, it implemented the existing evaluation system and established KPIs, such as performance, which it plan to add to future evaluations. This evaluation will be implemented in FY2022.

Promoting the Advancement of Women

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 SEVENELEVEN (CHENGDU). In March 2018, SEVEN-ELEVEN (BEIJING) appointed women in the roles of vice president and director, and SEVEN-ELEVEN (TIANJIN) appointed a woman as director.

Internships

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. SEVEN-ELEVEN (TIANJIN) accepted 39 interns in F 2021, 4 of whom were employed by SEVEN-ELEVEN (TIANJIN). SEVEN-ELEVEN (CHENGDU) accepted 14 interns in FY2020, 4 of whom were employed by SEVEN-ELEVEN (CHENGDU) in July 2021.

Reducing Environmental Impact

The Chinese government has been putting great emphasis on climate change issues. In Beijing, companies with annual CO₂ emissions in excess of 5,000 tons are subject to upper limits on CO₂ emissions in each industry as major emitters and must purchase emissions credits for the excess portions. In FY2020, SEVEN-ELEVEN (BEIJING), which is subject to this program, saw overall CO₂ emissions increased as a result of an increase in the number of stores and chilled cases, and consequently, it purchased emissions credits for approximately 14,000 tons. However, in FY2020 and FY2021, it did not purchase emission credits because it did not reach the CO₂ emissions cap. 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)

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of stores	247	266	275	283	304
Electricity consumption (MWh)	25,702	26,537	29,773	24,251	25,171
Water Consumption (1,000m ³)	83	85	94	78	55

SEVEN-ELEVEN (TIANJIN)

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of stores	118	155	178	179	200
Electricity consumption (MWh)	10,077	14,814	20,051	17,552	17,898
Water Consumption (1,000 m ³)	34	42	57	49	50

SEVEN-ELEVEN (CHENGDU)

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of stores	87	77	75	73	84
Electricity consumption (MWh)	7,892	11,137	9,720	7,631	8,491
Water Consumption (1,000 m ³)	24	25	24	24	27

Energy Conservation Measures at Stores

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 addition, all the three companies have changed their fast food warming cases and introduced fast food refrigerated cases to save energy while eliminating opportunity loss and reducing waste loss. SEVEN-ELEVEN (BEIJING) has completed the installation of fast food refrigerated cases in a total of 66 stores by the end of 2021, leading to energy savings of 1,485 kW per day.

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) re-announced the 7 power-saving articles and 9 power-saving articles signs to all stores in FY2021 and posted them in store backrooms to ensure their implementation in all stores and raise everyone's awareness of power saving. In addition, they are thoroughly turning off lights and air conditioners when they are not needed.

Through meetings and product exhibitions for operations field counselors (OFCs), SEVEN-ELEVEN (BEIJING) shares information about being thorough in saving energy with OFCs and franchise store owners.

Environmental Measures at Food Manufacturing Factories

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.

Initiatives in China

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

Chinese Superstore Business

Message from the Chairperson

The year 2022 marks the 25th anniversary of Ito-Yokado's opening of its Chunxi store in Chengdu, China. As a member of the Seven & i Group, we will continue to focus on the shopping experience of each individual customer and provide higher quality products and services to our customers under the slogan of "Responding to changes and adhering to the basics." We will constantly pass on Ito-Yokado's "spirit of craftsmanship" in China and strive for the sound development of the company.

Ito-Yokado currently operates 12 stores in China (9 general merchandising stores, 2 food and commodity stores, and 1 shopping center), welcoming nearly 30 million customers each year. Through these store operations, we have continuously improved the quality of our products, enhanced our services, reformed our business model, and created new consumption scenarios to demonstrate the appeal of the "innovative Ito-Yokado." At the same time, we emphasize the joint development of the company and society and focus on achieving the goals of the Seven & i Group's GREEN CHALLENGE 2050 and addressing the Seven Material Issues that are social issues, thereby contributing to the sustainable development of society. In addition, through repeated dialogue with our stakeholders, including customers, business partners, shareholders, local communities, and employees, we will work to realize a sustainable society by providing environmentally friendly products and reducing plastic usage and food loss. We will also continue to make charitable donations for the development of local communities, and contribute to the realization of a sustainable society and take on the challenge of creating new value by working to provide food safety and security, which are the primary concerns of our customers, as well as higher quality products and services.

The Chinese economy continues to undergo a transformation, with the new coronavirus outbreak showing no signs of abating and new factors of international instability emerging. However, customers' expectations are growing as China's urban consumption becomes more sophisticated, the quality of the supply chain is constantly developing and new distribution infrastructure is being put in place. We are entering a new phase of development integrating "craftsmanship, quality, wisdom, fun, and green" so that we can provide "a shopping experience that exceeds customer expectations." In the future, we will take advantage of the Regional Comprehensive Economic Partnership (RCEP) agreement to further strengthen the characteristics of Japanese companies, promote the expansion of economic trade between China and Japan, and provide innovative shopping experiences for our customers by creating new life scenes, products, and consumption styles.





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
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
January 2021	Leshan Store opens in Leshan

Company Overview

	Chengdu Ito-Yokado	Hua Tang Yokado Commercial
		
Net Sales	approx. ¥71,200 million	approx. ¥5,400 million
Number of employees	2,795	191
Number of stores	10 stores (Chunxi, Shuangnan, Jinhua, Jianshe Road, High-tech, Wenjiang, Meishan, Huaifu Avenue, Ito Plaza, Leshan)	1 store (Asian Games Village)
Established	December 1996	September 1997
Chairman	Tsugumi Ko	Tsugumi Ko
President	Kazumi Kunimi	Satoshi Osada
CSR Promotion Structure	Corporate Ethics and Culture Committee	Corporate Ethics and Culture Committee
	Corporate Ethics and Culture Subcommittee	Corporate Ethics and Culture Subcommittee
	Consumer Affairs and Quality Control Subcommittee	Consumer Affairs and Quality Control Subcommittee
	Environmental Subcommittee	Environmental Subcommittee

* Fiscal year ending December 31 (number of stores as of December 31, 2021; number of employees as of February 28, 2022)

* Exchange rate of CNY1 = ¥17.04

* Net sales does not include value added tax

CSR Initiatives



CSR Promotion Structure

In China, companies are required by society to promote CSR, for example, by formulating CSR initiative policies and evaluation indicators in line with Chinese government policy, and by publishing CSR evaluation rankings.

Ito-Yokado (China) Investment Co., Ltd. established a Corporate Ethics and Culture Committee in the latter half of 2021 and has begun building a structure for a cross-sectoral activity system for its China operations in cooperation with the CSR promotion system committees of each China operating company. The Corporate Ethics and Culture Committee consists of three subcommittees: the Corporate Ethics and Culture Subcommittee, the Environmental Subcommittee, and the Consumer Affairs and Quality Control Subcommittee. The Corporate Ethics and Culture Subcommittee goes back to the starting point of the company's establishment and ensures that employees are fully aware of the company's policies and corporate creed. The Environment Subcommittee promotes specific reduction targets for electricity and water conservation and energy-saving store operations. The Consumer Affairs and Quality Control Subcommittee works to provide safe and secure products and services, leading to better products and services. Chengdu Ito-Yokado and Hua Tang Yokado Commercial have begun working together with the Corporate Action Committee of Ito-Yokado (China) Investment Co., Ltd. to promote CSR more comprehensively. In addition, the Corporate Action Committee of Chengdu Ito-Yokado shares the Seven & i Group Material Issues through online and offline communication meetings, and formulates plans to resolve these issues. The committee also holds network-based online training sessions to establish a curriculum that enables employees to learn business and skills knowledge and correctly conduct corporate activities.

Publication of CSR Reports

Chengdu Ito-Yokado has published a report annually since its first CSR Report, which summarizes its social and environmental initiatives, in July 2016. In preparing the report, we refer to the Global Reporting Initiative (GRI), SDGs, and ESG, and also include a comparison table with the three at the end of the report. The CSR Report for FY2021, published in August 2022, was distributed to attendees of the Sichuan CSR Report Presentation and conferences for the private sector, and was also provided to the Ministry of Industry and Credit, the State Resources Commission, and other government agencies through the China Federation of Industry and Economy for their use.



Promise to Customers



Quality and Freshness Management

Chengdu Ito-Yokado distributes a "Standard Operating Procedures Manual" to each employee to unify production and processing standards and improve quality, and headquarters personnel regularly visit stores to confirm that products meet the standards. We also screen, evaluate, and track contracts with suppliers of products, and work to realize a total quality management system for the supply chain from the farms to the dining tables.

Hua Tang Yokado Commercial holds quality control training for employees handling food products four times each year and strictly adheres to quality control standards. In addition, the company conducts regular inspections of the sanitary environment, including equipment, sanitation and process systems, and employees, on the sales floor and backrooms. In addition, to prevent the spread of COVID-19, employees in the food sales floor conduct PCR tests daily, and employees in the backroom conduct PCR tests every 48 to 72 hours in response to administrative requirements. The sales floor and backroom are regularly sanitized to provide customers with a safe and secure shopping environment.

Provision of Traceability Information

Since 2013, Chengdu Ito-Yokado has established a food traceability system in cooperation with producers to disclose product information to customers. Chengdu Ito-Yokado independently developed "看得見的放心" and manages the quality of its products. 看得見的放心 has the same concept as "Traceable Fresh Food with Producers' Faces" sold at Ito-Yokado in Japan and it has earned the trust of its customers as safe and secure products.

看得見的放心 Muscat: In 2020, we established a new production site in Yunnan in addition to the production site in Dujiangyan. The Yunnan production site is located in Jianshui County, Honghe Province, Yunnan Province, with an elevation of 1,700 meters above sea level, an average annual temperature of 18.5°C, an average annual sunshine duration of 2,750 hours, and a large temperature difference between day and night, making it the fastest maturing area for muscats in China.

看得見的放心 Melons: The production center for Xizhou melons is located in Lhedong Li Autonomous Prefecture, Hainan Province, at a latitude of 18 degrees north. Because of its tropical region, the area is known as a "Great Natural Greenhouse," with an average annual temperature of 22°C to 27°C, 2,650 hours of sunshine per year, and abundant rainfall. Therefore, the conditions for a favorable environment for growing melons with high sugar content, good quality, and a strong aroma are available.

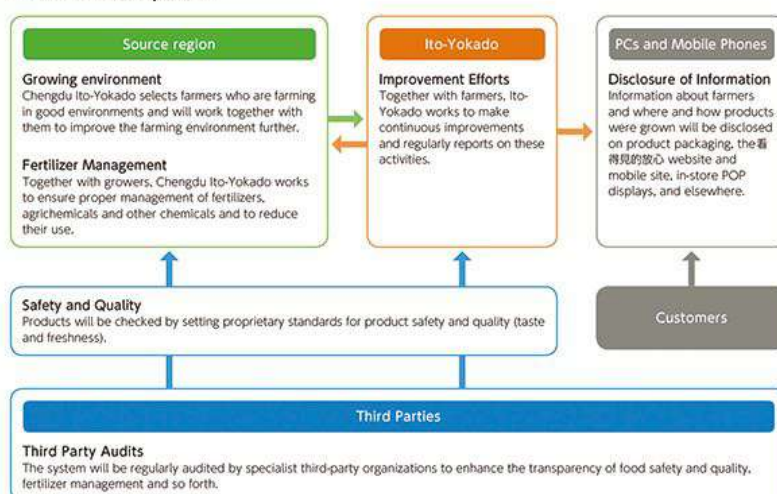


「看得見的放心」Muscat



「看得見的放心」Melons

看得見的放心 System



Strengthening Quality Management of Store Operations in Pursuit of a Safe and Secure Shopping Environment

In 2019, Chengdu Ito-Yokado began monthly quality inspections of store operational aspects by the Administration Division in order to fully enhance store management, operational, and service capabilities. The Administration Division leads the operational quality inspections, which are conducted by the division and stores together, and include monthly on-site inspections and on-site evaluations for matters such as basic customer service on the sales floor, sales floor and backroom management, and fire safety. For any problems discovered, the causes and countermeasures are shared with all employees to improve the management awareness and level of store managers and to ensure a safe and secure store environment.

From 2021, we are updating our management requirements to meet the changing shopping needs of our customers, subdividing our inspection criteria and spending more time communicating with our stores. We newly added 11 major and 145 minor operational quality inspection items to improve customer satisfaction.



Periodic inspections of warehouse



Meetings between the Administration Division and store employees

"Citizen Quality Supervisor" System and Collection of Customer Feedback

Chengdu Ito-Yokado has established a "Citizen Quality Supervisor" system since 2008, inviting public participation from customers, to improve products and stores based on customer standards. In 2021, we received numerous comments from 95 Citizen Quality Supervisors and customers at each of our stores regarding our products and services, such as expanding the range of Japanese products, increasing the number of products for women that can be redeemed with member points, and the "伊藤到家" (online supermarket) portal site, and improved our products and services.



Inauguration of the Citizens Quality Supervisor in 2021

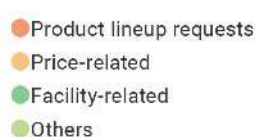
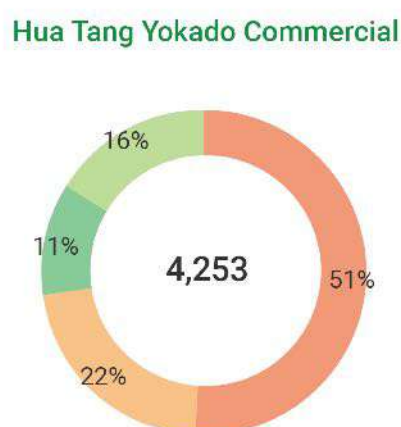
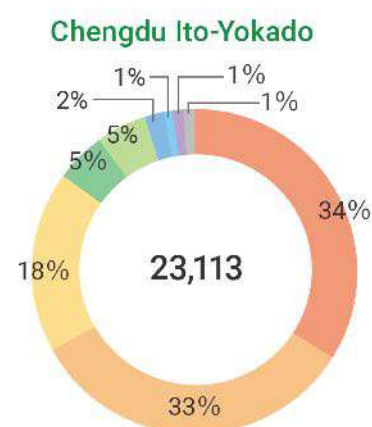


Events for Citizen Quality Supervisors



Menu tasted by Citizen Quality Supervisors

Breakdown of Customer Feedback



Promise to the Local Community



Donations and Stakeholder Engagement

Chengdu Ito-Yokado supports education and assists needy families. For example, since 2007, we have selected four elementary schools and donated necessary equipment to improve school facilities and equipment. We actually visited those four schools and donated stationery, teaching materials, and sports equipment to economically disadvantaged children in response to the schools' requests. In addition, we also visit local families in need, people with disabilities, and elderly people living alone at each seasonal milestone to donate daily necessities. We also continue to donate to Sichuan University every year, and 2021 was our 24th donation.

In 2021, on Children's Day, June 1, Chairman Tsugumi Ko delivered the donated items as a representative of the company and visited Pengzhou Tongji Lantian Elementary School to participate in the "Mobile Children's Palace" class. The "Mobile Children's Palace" project is a collaboration between Chengdu Ito-Yokado and the Chengdu Next Generation Foundation. The goal of the project is to introduce the know-how of the "Chengdu Youth Palace" to rural schools in the suburbs of Chengdu, where there is a high concentration of out-of-school children*1 and children in flux*2, so that the children can receive the same level of education as in urban areas. By 2021, the "Mobile Children's Palace" project has been implemented in two Friendship Elementary Schools, with more than 1,000 teachers and students.

In July 2021, torrential rains in Zhengzhou, Henan Province, China, caused serious flood damage. Chengdu Ito-Yokado immediately joined forces with the Chengdu Next Generation Foundation and four other companies to donate 1 million yuan (approximately 18 million yen) to support youths in the affected areas, and also provided a total of 10,000 sanitary and household items. In November of the same year, the Chengdu Municipal Chenglong Street Office requested us to deliver relief supplies in response to the re-spread of the new coronavirus infection in Chengdu. We also donated 800,000 yuan (approximately 14 million yen) for other social contribution activities.

*1 Children left behind when both parents go away for work

*2 Children who live with migrant parents but do not have a local family register and cannot receive adequate education



Visit to Pengzhou Tongji Lantian Elementary School



Packed and delivered 10,000 hygiene and daily living products to Zhengzhou



Donation of relief supplies to the Chenglong Road Office (Ito Plaza Store)

Volunteer Activities

On the third Wednesday of every month, Chengdu Ito-Yokado employees at every store clean up the areas around the stores. On traditional Chinese holidays such as Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival, the company provides comfort gifts to isolated elderly and economically disadvantaged people in the communities surrounding its stores.

At Hua Tang Yokado, employees take the initiative in beautifying the city by making clean-up activities a daily routine.



Cleanup activities



Providing comforts to clean-up crews

Promise to Employees



Store Management by Local Employees

All Chengdu Ito-Yokado and Hua Tang Yokado Commercial stores have actively promoted local employees since the opening of their stores in China in order to create stores that are rooted in the local community, and Chinese staff are playing an active role in these stores. The percentage of Chinese employees (excluding directors) in management positions is 98.2% at Chengdu Ito-Yokado and 98.3% at Hua Tang Yokado Commercial, with local employees basically running the company. Chengdu Ito-Yokado's stores in local cities (Meishan/Leshan) employ a large number of local personnel, accounting for 87%.

We have also actively promoted women. The percentage of women in executive positions is 59.9% at Chengdu Ito-Yokado, and five of its 10 stores have female store managers. The percentage of female managers at Hua Sugar Yokado is 47.2% (excluding directors), and the store manager of the Asian Village store is also a woman.

Employee Data (As of the end of December 2021)

	Chengdu Ito-Yokado	Hua Tang Yokado Commercial
No. of employees	2,919	163
No. of part-time employees	76	24
Ratio of Chinese employees in management positions	98.2%	97.5%
No. and ratio of women in management positions (excluding executives)	374 (59.9%)	50 (47.2%)
No. of female team leaders (ratio of female team leaders)	222 (61.0%)	15 (30.0%)
No. of female section managers (ratio of female section managers)	107 (63.3%)	12 (24.0%)
No. of female division managers (ratio of female division managers)	28 (- %)	12 (24.0%)
No. of female corporate officers (ratio of female corporate officers)	4 (- %)	0 (0.0%)
No. of employees with disabilities	51 (1.7%)	9 (5.5%)

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, food processing, 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.

Human Resource Development and Training

Classroom Training

In order to pass on Ito-Yokado's philosophy and develop human resources who are autonomous in the Ito-Yokado way, in 2021, we conducted 625 classroom training sessions in 15 categories under the two major themes of "passing on corporate culture" and "enhancing the quality of human resources," with a total of 9,354 employees participating.

e-Learning

Chengdu Ito-Yokado launched online education in 2021 as a training method that is easily accepted by a new generation of employees in order to more effectively hand down and thoroughly implement the company's basic philosophy. The content is being reviewed as needed, and new curricula are being added. The training targets all employees, including headquarters and store employees, and a total of 46,660 people have participated.

Promise Regarding the Environment



Energy-Saving Initiatives

Chengdu Ito-Yokado, as the first low-carbon scene creation project in Chengdu, has been continuously working on projects such as separation of dry waste for resources, development of environmental infrastructure, and waste recycling under the environmental philosophy of "respect for nature, adaptation to nature, and protection of nature" since 2020. In 2021, it invested 5 million yuan (about 90 million yen) in environmental protection to switch to biodegradable plastic products, using biodegradable materials for plastic bags and disposable tableware. In addition, the company reviewed energy-saving technologies, reduced waste, and reduced food loss / waste, resulting in 3,350 tons of waste reduction and 435 tons of carbon emissions. In recognition of these efforts, the company received an award for being an advanced company in the construction of the "炭惠天府" mechanism in fiscal 2021.

Hua Tang Yokado Commercial manages the temperature inside the store through proper operation of the air conditioning system. It reduce gas and electricity consumption by adjusting air conditioning operation time and air conditioning operation for each area as needed in response to changes in weather and temperature. The company also ask the facility management contractor to take in-depth temperature measurements inside the store to monitor temperature changes as needed and adjust the operating pattern of the air conditioning system. In the backroom of its stores, the number of lights used has been reduced to 50%.

Chengdu Ito-Yokado

	FY2019	FY2020	FY2021
Number of stores	9	9	10
Energy consumption (standard coal tons)	13,150	13,553	13,580
Electricity consumption (MWh)	99,836	105,439	107,670
Gas usage (1,000 m ³)	667	540	316
Water usage (1,000m ³)	853	888	857

Hua Tang Yokado Commercial

	FY2019	FY2020	FY2021
Number of stores	1	1	1
Energy consumption (standard coal tons)	1,549	1,434	1,353
Electricity consumption (MWh)	8,106	7,924	7,912
Gas usage (1,000 m ³)	380	335	256
Water usage (1,000m ³)	60	55	63

Award History (FY2021)

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
2021 Advanced company for the construction of the "Coal Huei Tianfu" mechanism	Chengdu Energy Conservation and Emission Reduction and Responding to Climate Change Work Guidance Group Office
2021 Best 10 Leader Companies	Chengdu Retailers' Association
2021 Social Value Contribution Award	Chengdu Retailers' Association
Advanced Individuals Leading Sichuan Province's Opening-Up Development	Sichuan Human Resources and Social Security Administration
2021 Advanced Division of Market Surveillance Statistics Business	Sichuan Office of Commerce
2021 Urban Reform and Innovation Award that fully embodies the Chengdu Construction New Development Concept	Chengdu Municipal Committee of the Communist Party of China, Chengdu Municipal People's Government
The 10th (2021) Chengdu Commercial Year Overall Ranking	Chengdu Retailers' Association
2021 Golden Business Best Consumer Word of Mouth Business	Huaxi Metropolitan News Agency

Hua Tang Yokado Commercial

Names of Award	Presenting Organization
FY2021 Class A Tax Payment Reliability Company	Chaoyang State Taxation Bureau
FY2021 Leading Companies with Safest Production Systems	Chaoyang District Xiaoguan Subdistrict

Initiatives in China

[Further information about the convenience store business in China can be found here >](#)