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 established 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. The Compliance Subcommittee is chaired by the head of the Corporate General Affairs & Legal Division of Seven & i Holdings. The division in charge of legal affairs at the Company manages the subcommittee to promote specific measures.

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. The Corporate Ethics and Culture Subcommittee is chaired by the head of the Human Resources Division of Seven & i Holdings. The division in charge of human resources at the Company manages the subcommittee to promote specific measures.

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. The Supply Chain Subcommittee is chaired by the Executive Officer and Chief Merchandise Officer (CMDO) of the Seven & i Holdings Group Merchandise Strategy & Planning Division. The subcommittee is managed by the division in charge of product strategies at the Group to promote specific measures.

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 approved by the Board of Directors in April 2019 and 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. The Environment Subcommittee is chaired by the Executive Officer and head of the Sustainability Development Department of the ESG Development Division of Seven & i Holdings, and is managed by the department in charge of environmental measures of the Group to promote specific measures.

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 seven 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. The Social Value Creation Subcommittee is chaired by the Senior Managing Executive Officer, Representative Director, and head of the ESG Development Division of Seven & i Holdings, and is managed by the division in charge of management planning to promote specific measures.

Targets and Progress by Each Subcommittee

 \bigcirc : Achieved, \bigtriangleup : Almost achieved, ×: Far from achieved

| Major Plans for FY2022 | Results for FY2022 | Evalu ation | Major Plans for FY2023 |
|---|--|----------------|--|
| Compliance Subcommittee | | | |
| (1) Establishing fair business p | ractices | | |
| Confirm the status of compliance with the Antimonopoly Act, the Subcontract Act, the Act against Unjustifiable Premiums, and take remedial measures as necessary FT project conference: held twice a year Conduct FT training (elearning) June: General labeling training (including food labels), 7,000 people underwent training November: Fair trade (abuse of superior bargaining position, Subcontracting Act), 11,000 people in total underwent training Group education (including online) First half: 15 times, 500 people underwent training Conduct business partner questionnaires | Information sharing at FT project conferences First half (May): 62 participants from 24 Group companies Second half (November): 68 participants from 25 Group companies FT training (e-learning) June: General labeling training (including food labels), 7,788 people in total underwent training November: Fair trade (abuse of superior bargaining position, Subcontracting Act), 9,026 people in total underwent training Group education (including online) First half: 21 times, 1,503 people in total underwent training Second half: 21 times, 1,257 people in total underwent training Business partner questionnaires Approximately 10,900 responses | 0 | Confirm the status of compliance with the Antimonopoly Act, the Subcontract Act, the Act agains Unjustifiable Premiums, and take remedial measures as necessary FT project conference: held twice a year Conduct FT training (e-learning June: General labeling training (including food labels), 6,000 people underwent training November: Fair trade (abuse o superior bargaining position, Subcontracting Act), 6,000 people underwent training Group education (including online) First half: 15 times, 600 people underwent training Conduct business partner questionnaires |

| (2) Enforcement of compliance | | | |
|--|--|---|--|
| Interview operating companies on compliance issues and response status (25 companies) Conduct compliance e-learning | Implemented interviews and confirmation of the occurrence of compliance issues and the status of responses and improvements at operating companies (26 companies) Compliance e-learning Number of course takers: 4,162 (Total number of course takers: 9,087) Number of courses: 5 | 0 | Implement interviews on compliance issues and response status Conduct compliance e-learning |
| (3) Enhancement of preventive | legal functions | | |
| Interview operating companies on compliance issues and response status (25 companies) | • Implemented interviews and confirmation of compliance system issues and countermeasures including preventive measures at operating companies (26 companies) | 0 | Implement interviews on compliance issues and response status |
| (4) Strengthen the internal repo | orting system | | |
| Establish a system as necessary in accordance with the amended Whistleblower Protection Act Conduct training using an outside instructor for Group company internal reporting system staff (at least once a year) | Established regulations, detailed rules, and operating rules in accordance with the amended Whistleblower Protection Act (came into effect June 1) Conducted training using an outside instructor for Group company internal reporting system staff (October: 80 people underwent training) | 0 | Establish a system as necessary in accordance with the amended Whistleblower Protection Act Conduct training using an outside instructor for Group company internal reporting system staff (at least once a year) |

Corporate Ethics and Culture Subcommittee

(1) Thoroughly ensure compliance with Corporate Action Guidelines

- Focus on awareness and permeation of the Corporate Creed and Corporate Action Guidelines when educating employees and help them take root
- In the Employee Engagement and Culture Survey, regularly monitor status of compliance with the Corporate Action Guidelines
- Hold workshops at some companies to instill our principles

(2) Create fulfilling workplaces

- Increase opportunities for Group companies to meet at the same time and share information on case studies and encourage measures for improvement starting in FY2021
- In response to survey results, continuously propose improvement plans through dialog with employees
- Conducting Employee
 Engagement and Culture
 Surveys

 Diversified participants in opportunities for Group companies to meet at the same time, shared information on case studies, and encouraged measures for improvement

• Confirmed status of compliance

with the Corporate Creed and

conducting Employee

employees)

Corporate Action Guidelines when

Engagement and Culture Surveys

 \wedge

Compliance with the Corporate

Action Guidelines: 92% (Fulltime

- Establishment of opportunities for dialogue with employees at many Group companies and proposal and implementation of measures to enhance meaningful work and ease of work
- Development of an Employee Engagement Survey in the form of the Employee Engagement and Culture Survey and addition of seven questions (including integrity, respect of autonomy, encouragement of taking on challenges, and openness) to measure the status of culture at each worksite in addition to engagement with the company Target: 32 Group companies, about 72,000 people Engagement score: 51% (up 1% from the previous year) *Scores are figures for monthly salary employees

- Focus on awareness and permeation of the Corporate Creed and Corporate Action Guidelines when educating employees and help them take root
- In the Employee Engagement Survey, regularly monitor status of compliance with the Corporate Action Guidelines
- Continue sharing information on case studies to enhance engagement at Group companies
- Conduct ongoing dialogue with employees to promote activities while repeatedly investigating, proposing, implementing, and verifying measures to enhance meaningful work and ease of work
- Conducting Employee
 Engagement and Culture
 Surveys (November)

| Promoting employment of people with disabilities Promote support for recruitment activities and retention for operating companies that have not achieved statutory employment rate (support for individual interviews and consultations) | • Accepted workplace trainees from special support schools with a focus on operating companies that had not met the statutory employment rate (York, Sogo &Seibu, THE LOFT, and others) and Ito-Yokado Number of trainees accepted: Total of 33 | 0 | Promoting employment of people with disabilities Promote support for recruitment activities and retention for operating companies that have not achieved statutory employment rate (support for individual interviews and consultations) |
|---|---|---|---|
| • Maintain and improve the statutory employment rate Maintain and improve the statutory employment rate for people with disabilities at the five applicable Group companies | Maintained a 2.98% actual employment rate at the five applicable Group companies* (June 1, 2022) *Seven & i Holdings, Seven- Eleven Japan, Ito-Yokado, Seven & i Food Systems, Terube | 0 | Maintain and improve the statutory employment rate Maintain and improve the statutory employment rate for people with disabilities at the five applicable Group companies |
| • Reinforce educational activities for Group companies and implement rank-based human rights training, hands-on normalization training, follow- up training for vocational life counselors for employees with disabilities, and other measures | Distributed Human Rights Reports normalization information tools (nine times annually) Conducted rank-specific human rights awareness training at Group companies (20 times annually with 650 participants) Conducted hands-on normalization training for Group companies (three times annually with 84 participants) Conducted follow-up training for vocational life counselors for employees with disabilities at Group companies (two times annually with 78 participants) | Δ | Reinforce educational activities for Group companies and implement rank-based human rights training, hands-on normalization training, and other measures Reinforce internal and external dissemination of information on normalization measures at Group companies |

(3) Diversity & Inclusion Promotion Project

| Manage KPI and progress and implement measures at Group Companies each half to achieve the targets for the ratio of female managers Conduct female employee empowerment measures throughout the Group (training for female employees, etc.) | Started using action plan sheets to confirm progress toward achieving target values set by each Group company relating to the ratio of female managers, hiring, separation, and promotion Conducted women encouragement seminars (second session) (approximately 80 participants from 22 Group companies) Started holding empowerment sessions for women in upper-level positions in the Group Percentage of female managers Executive Officers: 15.7% (as of May 31, 2023) Section managers: 24.1% (as of February 28, 2023) Team leaders: 36.8% (as of February 28, 2023) | 0 | Confirm KPI and progress and implement measures at Group Companies each half to achieve the targets for the ratio of female managers Conduct female employee empowerment measures throughout the Group (training for female employees, etc.) |
|--|--|---|---|
| Continue to conduct awareness raising activities targeting the executives and managers of Group companies Promote use of childcare leave among male employees Disseminate basic knowledge on balancing work and family care responsibilities Promote LGBT understanding | Conducted D&I seminars for executives of Group companies Conducted seminars on eliminating inter-generational gaps in order to instill a culture of D&I (June; 327 participants) Conducted an employee survey and identified issues to encourage male employees to take childcare leave (June; responses by 5,582 employees) Held a seminar encouraging male employees to take childcare leave (October) | Δ | Continue to conduct educational and awareness-raising activities on D&I targeting employees including managers of Group companies Encourage use of childcare leave among male employees |
| Disseminate information related to diversity and inclusion internally and externally | Continuously disseminated D&I information on Group websites accessible by all 140,000 Group employees | 0 | • Disseminate information related to diversity and inclusion internally and externally |

| (4) Promoting health managem | ient | | |
|--|---|---|---|
| Plan and implement measures based on Health Declaration NEXT Implement initiatives for maintaining health, preventing illnesses, and returning to health Raising employee health awareness | Conducted walking events 6,310 participants from 25 companies Conducted breast cancer screening and cervical cancer risk testing for employees who wish Number of people screened for breast cancer: 389 Conducted health awareness raising seminars (six times annually) | Δ | Plan and implement thorough measures based on Health Declaration NEXT Continue walking events and other measures to raise employee health awareness and expand participation Implement measures for maintaining health and preventing illnesses |
| • Establishment of comfortable working environments where people can work with healthy minds and bodies | Implemented harassment training 15 companies participated Implemented mental health training 10 companies participated | Δ | • Establishment of comfortable working environments where people can work with healthy minds and bodies and promotion of a good work-life balance |
| Supply Chain Subcommittee | | | |
| (1) Improving product quality a | and ensuring safety | | |
| Identify and share information on issues to reinforce quality control systems at operating companies | Shared case studies of measures by Group companies within the QC project, reflected measures by each company, and created mechanisms throughout operations | 0 | Continue sharing case studies within the QC project Intensify measures while sharing information to prevent label display errors on food products |
| Conduct ongoing audits Use remote audit methods because of the COVID-19 pandemic and continue monitoring factories that manufacture PB products | Conducted audits through the use of external organizations with a focus on manufacturing consignment factories of apparel and household goods | Δ | Continue conducting audits with a focus on consignment manufacturers of PB products |

| Conduct new training not just for purchasing personnel but also personnel in quality control departments so that they can acquire specialized skills and knowledge on quality control and product safety Conduct training on specific products so that personnel can acquire additional specialized knowledge | Created training content for acquisition of fundamental knowledge on quality control and conducted e-learning Training participants: 166 quality control personnel Conducted supplier audit training at manufacturing consignment factories Training participants: 20 × twice annually Conducted training using external organizations for acquisition of fundamental knowledge on developing products Training participants: 712 | 0 | Continue training on quality control and product safety including on-site training |
|--|---|---|---|
| • Continue measures in cooperation with business partners for all factories to obtain quality certification | Made requests to Seven Premium product manufacturing consignment factories to acquire certification (99.8% of factories acquired certification as of February 2023) | Δ | • Continue measures for all factories to obtain quality certification |
| Continue compliance with HACCP operations manuals Conduct training to acquire fundamental knowledge concerning sanitation management | Confirmed the operating status of each company Confirmed the operating status of manuals when accidents occur and instilled rigorous compliance | 0 | Continue compliance with HACCP operations manuals Conduct training by external organizations for acquisition of fundamental knowledge on HACCP to raise levels Persons eligible to participate: 30 |
| • Collect the latest industry information, etc. | Gathered information including information provided by subcontractors and information on industry news | Δ | Plan and conduct training by external organizations for the acquisition of specialized knowledge including insect and rodent prevention measures Persons eligible to participate: 30 each at two sessions |

(2) Thorough implementation of Business Partner Action Guidelines

| Live broadcast and on-demand distribution of Business Partner Action Guidelines and CSR audit briefings (for Japan and overseas) Live broadcast: March On-demand distribution: March–November Conduct briefings on the Business Partner Action Guidelines and CSR audits for in-house purchasing personnel (June, October, and January) | Live broadcast of Business Partner Action Guidelines and CSR audit briefings (viewed by 668 persons at and 492 companies) Reported on CSR audit results and held study sessions on audits at meetings attended by managers and staff of departments in charge of product development and procurement at each Group company (total of three times; 285 participants) | 0 | Continue briefings on the Business Partner Action Guidelines and CSR audits |
|--|--|---|--|
| Divide compliance seminars into 10 courses and provide on-demand distribution of more practical content including specific case studies | Conducted on-demand distribution of Business Partner Action Guidelines and CSR audit briefings to enable access at any time Prepared content on eight topics including occupational safety and health, and business and human rights (accessed by 480 companies; total of 14,698 page views) | 0 | Continue compliance seminars Translate content into multiple languages and reinforce explanations at overseas factories |
| Conduct CSR audit Overseas: 350 factories in China and Southeast Asia Domestic: 500 factories that produce Seven Premium *May shrink due to the effects of COVID-19 | Conducted CSR audits of those factories that manufactured Seven Premium products and private brand products of Group companies in China and Southeast Asia (13 countries) that conducted large-scale transactions and had high levels of importance Overseas: 322 factories in China and Southeast Asia Domestic: 535 factories | 0 | Continue CSR audits |

| Environment Subcommittee | | | |
|--|--|---|---|
| (1) Initiatives for achieving a de | ecarbonized society | | |
| Apply for SBT certification Conduct third-party verifications of CO2 emissions at 15 companies Install solar power generation panels at more than 9,000 Group stores Expand procurement of renewable energy through off- site PPA | Conducted third-party verifications of CO2 emissions at 12 companies Installed solar power generation panels at 8,823 Group stores Expanded procurement of renewable energy through off- site PPA | 0 | Conduct third-party verifications of CO2 emissions at 12 companies Install solar power generation panels at more than 9,000 Group stores Expand procurement of renewable energy through off- site PPA Start demonstration tests on the use of renewable energy with supply chain companies to reduce CO2 emissions |
| (2) Initiatives for achieving a ci | rcular economy | | |
| Implement environmental responses at SEVEN CAFÉ Implement environmental responses for Seven-Eleven dairy products | Switched to SEVEN CAFÉ containers that used less petroleum-derived inks and coloring It was expected that at the time of nationwide expansion, CO2 reduction would be approximately 800 tons annually Promoted recycling by using uncolored containers Started demonstration testing of using environmentally-friendly designed trays at 7-Eleven stores in Hokkaido | 0 | Introduce trays with environmentally-friendly designs nationwide and simultaneously conduct measures to gain the understanding of customers |
| Encourage resource recycling with customers by expanding installation of PET bottle collection machines Implement demonstration tests of new in-store collection methods to conduct plastic resource recycling | Expanded installation of PET bottle collection machines 3,174 machines (an increase of 1,076 machines from the previous year); approximately 470 million bottles collected and recycled Installation of baby bottle collection boxes at Akachan Honpo and start of demonstration tests of resource recycling (August) | 0 | Expand installation of PET bottle collection machines to encourage resource recycling Plan demonstration tests for collection of plastic containers that are difficult to recycle with an eye toward chemical recycling |

| • Continue the "Temaedori Project" at 7-Eleven stores and expand into the Group's food supermarket sector | Started the Temaedori Project, an awareness-raising activity at some Ito-Yokado and York Benimaru stores | 0 | • Expand Temaedori Project awareness-raising activities to 7-Eleven, Ito-Yokado, and York Benimaru stores nationwide |
|--|---|---|--|
| • Expand mottECO implementing restaurants nationwide | Implemented mottECO at Denny's restaurants nationwide | 0 | • Form the mottECO Consortium, a collaborative initiative of local governments and multiple businesses that are overcoming competitive boundaries |
| (3) Initiatives for developing a | society in harmony with nature | | · |
| • Following acquisition of MEL certification, acquire ASC CoC certification at all superstore business stores | Acquired MSC and ASC CoC certification at all superstore business stores (October) | 0 | • Acquire CoC certification at Peace Deli food manufacturing plants that process fresh foods such as fresh meat and fish and that manufacture meal kits |
| • Conduct basic JGAP instructor training for employees involved in product procurement and increase the number of employees with JGAP instructor qualifications | Increased the number of employees with JGAP instructor qualifications Number of employees who newly acquired qualifications: 77 Group-wide Cumulative total of employees with qualifications: 139 (as of February 28, 2023) | 0 | • Continue to conduct training, mainly for employees newly assigned to product procurement and employees who previously did not undergo training, and increase employees with JGAP trainer qualifications |
| Social Value Creation Subcommittee | | | |
| (1) Promote understanding of s | social issues | | |
| Hold the second business development program for solving social issues, in addition to the sharing of CSV use among operating companies | Start of SMiLE 2022 , a social issue solving business plan contest Number of seminar participants: 614 Number of submissions: 308 | 0 | Hold SMiLE 2023, a social issue solving business plan contest Review seminar content Support qualitative improvement of submissions |
| (2) Create new CSV businesses | 5 | | |
| Verify whether a business proposal emerging from a social business program can be established as a business | Narrowed business proposals emerging from social business programs from four to one and conducted ongoing verification | 0 | Regarding business proposals emerging from social business programs, in addition to continuation of one project, consideration of commercialization of two projects selected at SMiLE 2022 |

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. We have been conducting CSR training via e-learning for all employees at domestic Group companies. In the fiscal year ending February 28, 2023 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.



