

Material Issue 3 Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

Approach to the Material Issue

Seven & i Group operates around 22,800 primarily retail stores throughout Japan and has grown to be used by approximately 22.2 million customers each day. In order to prevent the development of these businesses from increasing the negative impact on the environment, we are working with various stakeholders in the value chain to reduce CO₂ emissions caused by energy consumption, reduce waste, and promote recycling, among other efforts.

In May 2019, we announced the "GREEN CHALLENGE 2050" Environmental Declaration, in which we establish Seven & i Group's ideal society as one that is decarbonized, has a circular economy, and is in harmony with nature. We established goals for 2030 and 2050 related to CO₂ emission reduction, plastic countermeasures, food loss and waste / organic waste recycling countermeasures, and sustainable procurement. We believe that reducing waste of energy, resources, and raw materials to achieve our goals will lead to cost reductions.

Relevant Policies

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

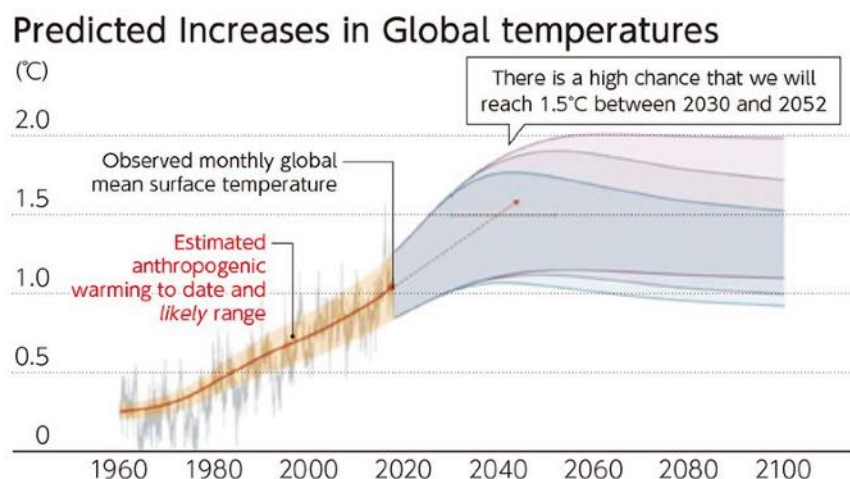
[Seven & i Group Sustainable Sourcing Principles and Policies](#) >

[Business Partner Sustainable Action Guidelines](#) >

Background to the Material Issue

Climate Change

Climate change is a serious threat that will affect future generations through rising sea levels, erratic weather, impacts on the agriculture and fishing industries, and more. According to the "Special Report: Global Warming of 1.5°C" released by the IPCC (Intergovernmental Panel on Climate Change) in 2018, the average temperature has risen by about 1.0°C compared to before the Industrial Revolution, and it is said that CO₂ emissions must be reduced to net zero by 2050 to keep the temperature rise at 1.5°C.



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

Food Loss and Waste

Throughout the world, one in nine people suffers from malnutrition, while in Japan, 25.5 million tons of food is wasted every year. Of this, the amount of food loss and waste - edible food that is discarded - is 6.12 million tons, which is equivalent to every person throwing away a bowl of rice every day.

Amount of Food Loss and Waste



Source: Ministry of Agriculture, Forestry and Fisheries. (2020) "The State of Food Loss/Waste and Recycling."

Resource Circulation

Plastics, which are highly convenient, are used in various situations in our lives, and over 8.3 billion tons* of plastic have been produced since 1950. Meanwhile, 9% of plastic is recycled and 79% is sent to landfills or disposed of in nature. At this rate, it is estimated that 12 billion tons of plastic will be sent to landfills or disposed of in nature by 2050, and there are reports that the amount of plastic in the ocean exceeds the amount of fish*. The issue facing us is to build a recycling-oriented economic society that makes effective use of existing resources without waste.

* From [Plastics Smart](#), Ministry of the Environment, "The State of Plastic in Japan and Overseas <4th collection of reference materials>" (in Japanese) [PDF:7.17MB]

Contribution to SDGs

In addressing this material issue, Seven & i Holdings contributes to achieving goals 2, 6, 7, 12, 13, 14, and 15 of the Sustainable Development Goals (SDGs) by reducing CO₂ emissions and waste of food products, and so forth.



Seven & i Groups' Initiatives

Environmental Management
[>](#)

Climate Change Measures [>](#)

Introduction of Environmentally Friendly Packaging [>](#)

Effective Use of Resources [>](#)

Measures against Food Loss/Waste and for Organic Waste Recycling [>](#)

Sustainable Procurement of Raw Materials [>](#)

Supply Chain Management (Environment) [>](#)

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Environmental Management

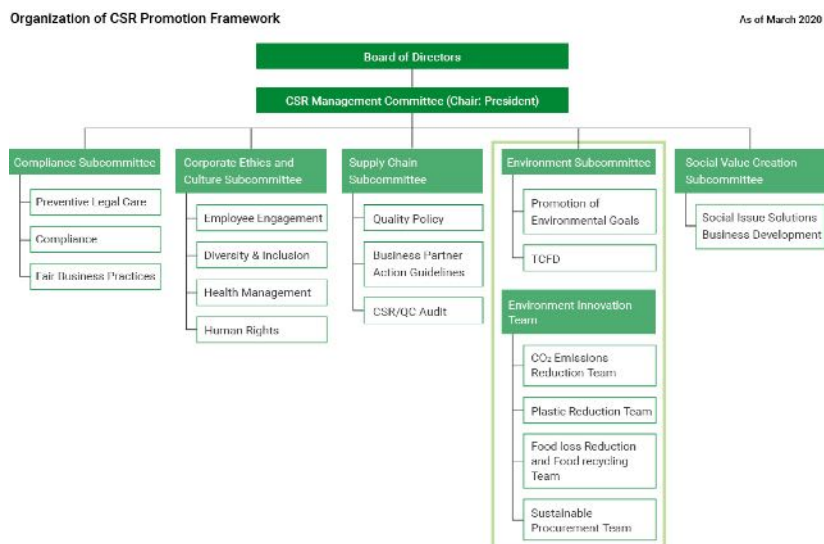
Seven & i Group is actively working to reduce its environmental impact in order to contribute to the creation of a sustainable society and leave a prosperous planet to future generations. In May 2019, we announced the “GREEN CHALLENGE 2050” environmental declaration, which sets out our vision for society and our goals for 2030 and 2050. We are moving ahead with environmental initiatives by way of the Seven & i Holdings Environment Subcommittee, which is attended by the supervisors of the Environment Divisions at our Group companies, as well as through our Innovation Teams established for the purpose of implementing initiatives falling under the environmental declaration “GREEN CHALLENGE 2050.” In addition, each Group company has established an environmental management system appropriate to its line of business.



Promotion Framework

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

In addition, when we announced the environmental declaration “GREEN CHALLENGE 2050” in May 2019, we established the Environmental Innovation Team, the goal of which is to alleviate environmental load working from four different perspectives, including CO2 emission reduction and plastic reduction strategies. This is a company-wide initiative. The CSR Management Committee receives reports on trends in indicators and on initiatives mainly for mitigation measures. The Committee approves measures implemented by the subcommittees and each Group company, and provides any necessary advice. Progress reports on these initiatives are submitted to the Board of Directors of Seven & i Holdings at least twice a year, at which time policies and initiatives are reviewed as necessary.



Environmental Management System

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

ISO 14001 Acquisition

Seven & i Group strives to maximize the effectiveness of its environmental management strategies. To this end, we are moving ahead with steps to acquire the international-standard ISO 14001. Sogo & Seibu became the first in the department store sector to achieve ISO 14001 certification in 1999, and has successfully maintained it continuously at all business sites. Subsequently, Seven-Eleven Japan acquired certification at the end of February 2015 for its offices and directly-managed stores throughout Japan. Meanwhile, Seven & i Food Systems attained certification in February 2015 for its Head Office and some Denny's restaurants. All in all, the Group companies achieving certification are carrying out initiatives to reduce environmental footprint, working through the ISO 14001 certification framework. They also conduct annual environmental audits to ascertain both the appropriateness and effectiveness of the management system. The sales ratio of the operating companies that have obtained ISO 14001 certification is approximately 30% of the Group's net sales.

Eco Action 21 Certification Acquired

In collaboration with the Nihon Delica Foods Association (NDF), Seven-Eleven Japan conducts information sharing on examples of initiatives that have substantial energy-saving effects at biannual NDF nationwide CSR promotion conferences. Seven-Eleven Japan also confirms the need to create a system that can respond to a variety of environmental issues including compliance, energy-saving measures, reducing CO2 emissions, and reducing food loss and waste. Based on the results confirmed above, Seven-Eleven Japan has declared that it will utilize an environmental management system, and with regard to the acquisition of Eco Action 21, established by the Ministry of the Environment, it is taking proactive measures such as holding briefings. Of the 176 factories that manufacture daily products, 152 factories have achieved environmental management certification with a focus on Eco Action 21 (as of the end of February 2023).

Third-Party Audit of CO2 Emissions

To correctly assess and verify the initiatives taken to reduce environmental impact, each year since 2015, Seven & i Group has undergone third-party audits of CO2 emissions from store operations. In 2022, audits of 12 companies*1 were conducted. The sales of the 12 companies covered about 98% of the Group's total sales. The CO2 emissions from store operations of the 12 companies in the fiscal year ended February 28, 2023 were 114,083 tons for Scope 1, and 2,571,802 tons for Scope 2. Moreover, by undergoing a third-party audit of the data for the Category 1*2 emissions of Seven-Eleven Japan, which accounted for about half (10,059,315 tons) of the Scope 3 emissions, we improved the accuracy and reliability of the quantitative data internally and externally.

*1 The 12 companies are: Seven & i Holdings, Seven-Eleven Japan, 7-Eleven, Inc., Ito-Yokado, York-Benimaru, York, SHELL GARDEN, IY Foods, Akachan Honpo, THE LOFT, Seven & i Food Systems, and Seven Bank

*2 The CO2 emissions associated with "purchased products and services" (procurement of raw materials, outsourcing of packaging, procurement of consumables, etc.) from among the 15 categories of Scope 3.



Third-Party Verification Report

➤ [Third-Party Verification Report](#)

Management of Water

At each store of Seven & i Group, in addition to the daily efforts made to conserve water, water-conserving faucets and energy-saving flushing toilets are also being introduced. Furthermore, through utilizing rainwater and so forth, we are working to reduce the volumes of water used. In the fiscal year ended February 28, 2023, water usage in conjunction with store operation was reduced to 19,424,000 m³*, and water consumption per million yen in sales decreased as in the previous fiscal year.

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

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

	FY2018	FY2019	FY2020	FY2021	FY2022
Water consumption (1,000m ³)	24,809	23,606	20,537	20,893	19,424
Water consumption per million yen in sales (m ³ /million yen)	3.3	3.1	2.9	2.9	2.9

Management of CFCs

At Seven & i Group's stores, devices using CFCs are replaced with ones using CFC alternatives during remodeling and so forth. Moreover, in compliance with the Act on the Protection of the Ozone Layer Through the Control of Specified Substances and Other Measures, which was implemented in April 2015, devices undergo regular inspections and leakage assessments required by the government. Devices using CFCs are disposed of by professional companies in compliance with the law, and stores receive collection certificates from these contractors as proof of appropriate disposal. Substitute CFCs include HCFC (hydro chlorofluorocarbon), production of which is to be banned in developed countries by 2020. As this will require a changeover to another type of substitute, we also plan to further promote the introduction of non-CFC devices in freezing and refrigeration devices used at our stores. At Seven-Eleven Japan, refrigeration devices that utilize CO₂ refrigerants have been introduced on at 769 stores (267 stores for frozen refrigeration facilities and 502 stores for only nutritional drink cases or chilled cases that sit in the center of the store), and we are also trialing them at 4 Ito-Yokado stores (as of the end of February 2023).

Management of PCBs

Ito-Yokado has a dedicated storage facility in Kasukabe City, Saitama Prefecture, in order to properly store PCBs (polychlorinated biphenyl) that affects soil and organisms. Fluorescent lamp ballasts and other equipment that contain PCBs are collectively managed there. In the future, Ito-Yokado plans to complete the disposal as soon as it becomes possible for a waste disposal facility to accept them.

		FY 2017	FY 2018	FY 2019
Ito-Yokado	Weight of equipment to be disposed of (containing PCBs) (t)	1.75	1.75	1.75

Management of Paper

At 7-Eleven stores, Seven-Eleven Japan is making progress toward going paperless for accounting forms and has been expanding this effort to all stores since June 2019. This initiative has allowed it to reduce the amount of paper used annually at each store by approx. 3,000 sheets, which helps to reduce the negative impact on the environment (as of the end of February 2023).

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Climate Change Countermeasures

Seven & i Group recognizes that the issue of climate change exerts a negative impact on the stable society that is essential for the sustainable development of companies. We would like to contribute in achieving the greenhouse gas reduction targets set forth in the Paris Agreement. In the “GREEN CHALLENGE 2050” environmental declaration formulated in May 2019, we identified the decarbonized society as the ideal that we should be aiming for. We are promoting energy conservation and the expanded use of renewable energy, with the goal of reducing CO₂ emissions generated from store operations by 50% compared to FY2013 by 2030 and down to net-zero by 2050.



Managing Climate Change Risks

Seven & i Holdings is affected by various risks related to climate change. These include regulatory risks from tighter regulations in Japan and overseas, physical risks from the occurrence of major disasters as well as changes in customers' purchasing patterns, due to the climate change or/and response to weather fluctuations. Furthermore, there are reputation risks, in which companies judged by climate change prevention/mitigation/adaptation management. In particular, the impact from changes in temperature and the occurrence of major natural disasters extends beyond damage to store equipment and distribution networks, restrictions or halts to trading, and sales opportunity loss; it can also affect the Group companies' product suppliers and raw material prices. Climate change is therefore a risk factor for all aspects of operations, from product development and production to distribution, store operations, and product lineups. Seven & i Holdings therefore recognizes that developing and implementing a business model that can cope with weather and climate change is important for maintaining its growth.

Seven & i Holdings, in order to properly analyze, evaluate, and appropriately respond to risks associated with the Group and each business, it establishes, maintains, and utilizes its comprehensive risk management systems governed by Risk Management Committee, in accordance with its “Basic Rules for Risk Management.” Risks posed by climate change are managed under this comprehensive risk management system as well.

Twice each year, each Group company identifies risks affecting that company based on the shared Group risk categories. Companies quantify risk assessments based on the degree of impact and the likelihood of occurrence of each risk, organize countermeasures for each risk in a risk assessment table, and submit the table to their Risk Department (Risk Management Committee Office). The risk assessment table should include not only quantitative but also qualitative risks, such as CO₂ emission regulations, business continuity risks due to recent large-scale typhoons, and changes in growing regions and fishing grounds for product raw materials.

The Risk Management Committee meets twice annually to comprehensively determine the status of Group risks based on the risk assessments and countermeasures submitted by each Group company and monitors implementation of risk management and improvement measures by each company from the perspectives of materiality, urgency of improvements, and so on.

In principle, the status of risk management is reported to the Seven & i Holdings Board of Directors once annually.

[> Response to TCFD Recommendations](#)

Measures for Adaptation to and Mitigation of Climate Change Risks

Our enduring concern around weather and temperature change is reflected in our daily ordering activities and sales floor formation. In product development and lineups as well, we strive to provide products that meet customers' needs by establishing a hypothesis based on weather changes over several months. At the same time, we will respond carefully to changes in customers' purchasing behavior driven by abnormal weather and temperature changes affected by climate change.

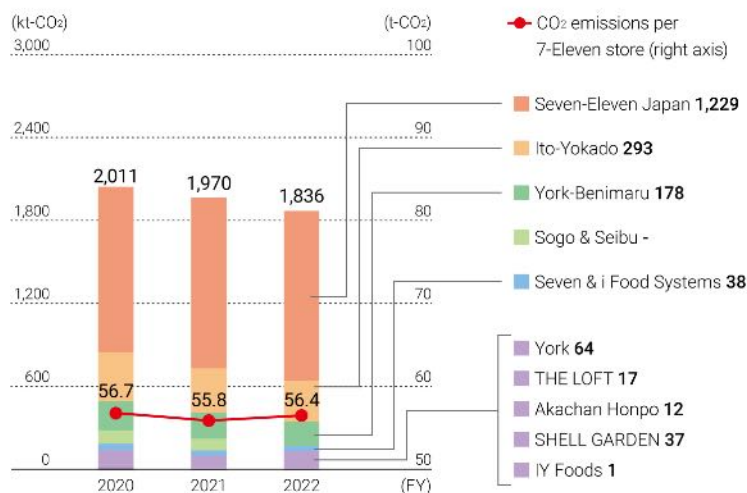
The "Seven Farm" environmental recycling-oriented agriculture initiative of Ito-Yokado buys the entire quantity of harvested produce, including imperfect shape/size items. This enables us to procure and sell vegetables steadily regardless of market trends. In this way, we are also addressing the aspect of stable product procurement. These Seven Farms are located in 11 places throughout Japan, covering approximately 250 ha in total. (As of February 28, 2023). In addition, Seven & i Holdings is establishing systems to prepare for disasters associated with sudden weather phenomena, such as the numerous incidents of heavy rain and landslides that have occurred recently in Japan. For example, we have distributed booklets to employees summarizing how to respond in an emergency, and we have also been holding regular simulation drills using teleconferencing systems and so forth. Furthermore, Seven & i Holdings is constructing 7VIEW (Seven Visual Information Emergency Web), a system that enables provision, sharing, and joint use of disaster information. The system gathers together information from the Group and through cooperation with business partners.

Measures to mitigate climate change include various initiatives related to reducing our environmental impact, such as energy conservation and use of renewable energy at stores, along with forest maintenance and related activities throughout Japan.

Reduction Targets for CO₂ Emissions

Approximately 90% of the CO₂ emissions by each Seven & i Group company are from the energy use for store operations. For this reason, we set a target of reducing CO₂ emissions from store operations to net-zero by 2050 so that CO₂ emissions may not increase in conjunction with the expansion of business and increases in the number of stores.

CO₂ Emissions Resulting from Store Operations*



* The figure in the top portion of the bar graph for FY2020 is the total for the following 12 companies: Seven-Eleven Japan, Ito-Yokado, York Benimaru, York, Life Foods, SHELL GARDEN, IY Foods, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Foods Systems, and Barneys Japan

* The figure in the top portion of the bar graph for FY2021 is the total for the following 11 companies: Seven-Eleven Japan, Ito-Yokado, York Benimaru, York, SHELL GARDEN, IY Foods, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Foods Systems, and Barneys Japan

* The figure in the top portion of the bar graph for FY2022 is the total for the following nine companies: Seven-Eleven Japan, Ito-Yokado, York Benimaru, York, SHELL GARDEN, IY Foods, Akachan Honpo, THE LOFT, and Seven & i Foods Systems

* York-Benimaru includes the stores and the merged Life Foods factory.

* For the Group company calculation conditions, please see the data posted on the website.

> [Details of CO₂ emissions amount data can be found here](#)

Promotion of energy conservation by employees

Seven & i Group companies are promoting energy-saving activities in stores together with their employees to reduce electricity consumption in stores and to promote environmental education and awareness among employees.

For example, Seven-Eleven Japan has established "Six Priority Energy Conservation Actions" for its stores, and has developed a system for employees to take the initiative in energy conservation. Ito-Yokado uses posters and other means to inform employees of its energy conservation activities. In addition, York uses an "Energy Saving Inspection Sheet" that lists five effective energy-saving actions, and store employees score themselves on their own store's energy-saving implementation status.

We are promoting the reduction of CO₂ emissions by placing the highest priority on reducing electricity consumption in our stores.

Energy Saving Contest

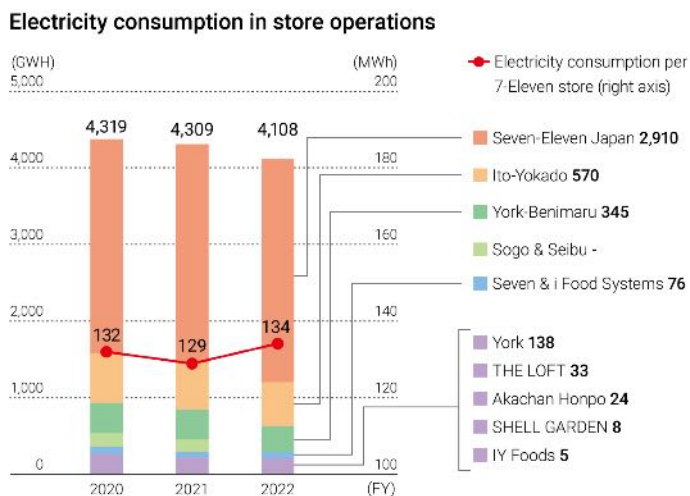
Eight companies* participate in the group-wide energy-saving contest to promote energy-saving at stores/offices and to expand good energy-saving practices within the group in FY2023. The CSR Management Committee, chaired by the president of Seven & i Holdings, plans to present awards in February 2024 to the stores and employees that receive the President's Award.

*Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, Seven & i Food Systems, THE LOFT, Akachan Honpo, Seven & i Create Link

Promoting the Introduction of Energy-Saving Equipment at Stores

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

For example, at Seven-Eleven Japan stores, we are promoting environment-friendly store development by converting all types of lighting to LED, including store signage, sales area lighting, and sign poles. In 2014, we introduced new specification LED lighting that can further reduce electricity usage by approximately 50%. In addition, we have made progress in installing solar panels, which are now in place at 8,823 stores (as of the end of February 2023). Ito-Yokado had installed LED lighting at all of its 126 stores and solar panels at 14 stores, York-Benimaru had installed solar panels at 42 stores, and York had installed solar panels at 9 stores(as of the end of February 2023). The Group operating companies are promoting the wider use of renewable energy.



* The figure in the top portion of the bar graph for FY2020 is the total for the following 12 companies: Seven-Eleven Japan, Ito-Yokado, York Benimaru, York, Life Foods, SHELL GARDEN, IY Foods, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Food Systems, and Barneys Japan

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* York-Benimaru includes the stores and the merged Life Foods factory



LED lights



Solar panels

Introduction of Large-Scale Solar Power Generation

As part of efforts to reduce CO₂ emissions from store operations based on Seven & i Group's "GREEN CHALLENGE 2050" environmental declaration, a large-scale solar panel generation system went into operation in July 2020 at Ito-Yokado's Ario Ichihara store. As an effective utilization of Ario Ichihara's space, solar panels were placed on the roof and are being used to generate some of the electricity consumed by the store. It is now possible to provide about 25% of the total electricity used by Ario Ichihara from the solar panels, as a result of which CO₂ emissions from electricity use can be reduced by about 25%. It is one of the largest generation systems of its kind at a commercial facility in Japan.



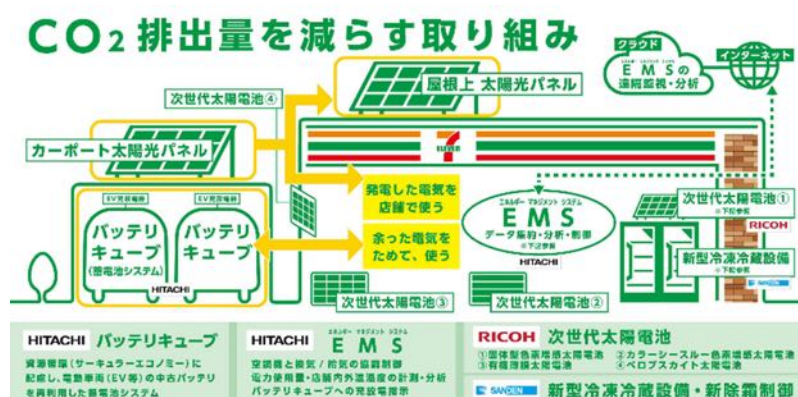
Large-scale solar panels at Ario Ichihara store

Start of Energy-Saving Store Demonstration Test

Seven-Eleven Japan opened the Ome Shinmachi 7-Eleven store as a test store for energy saving using state-of-the-art equipment and technology. As part of our efforts to reduce CO₂ emissions from store operations based on the Group's "GREEN CHALLENGE 2050" environmental declaration, this store has introduced various energy-saving※1 structures and equipment and energy-creation and -storage systems, including highly efficient solar panels and architecture with efficient air conditioning. In addition, the 7-Eleven store at Misato Hikonari 2-chome store launched a demonstration project as an environmental impact reducing store in June 2023. New initiatives include installation of new refrigeration and freezer devices, an air supply system that draws in outside air to reduce the load of refrigeration and freezer devices and air conditioning equipment, and an energy management system (EMS) that monitors and controls the usage conditions of energy-saving equipment and air conditioning systems.

We will investigate using these trials and demonstrations at stores as a first step for expansion to other stores throughout Japan where possible.

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



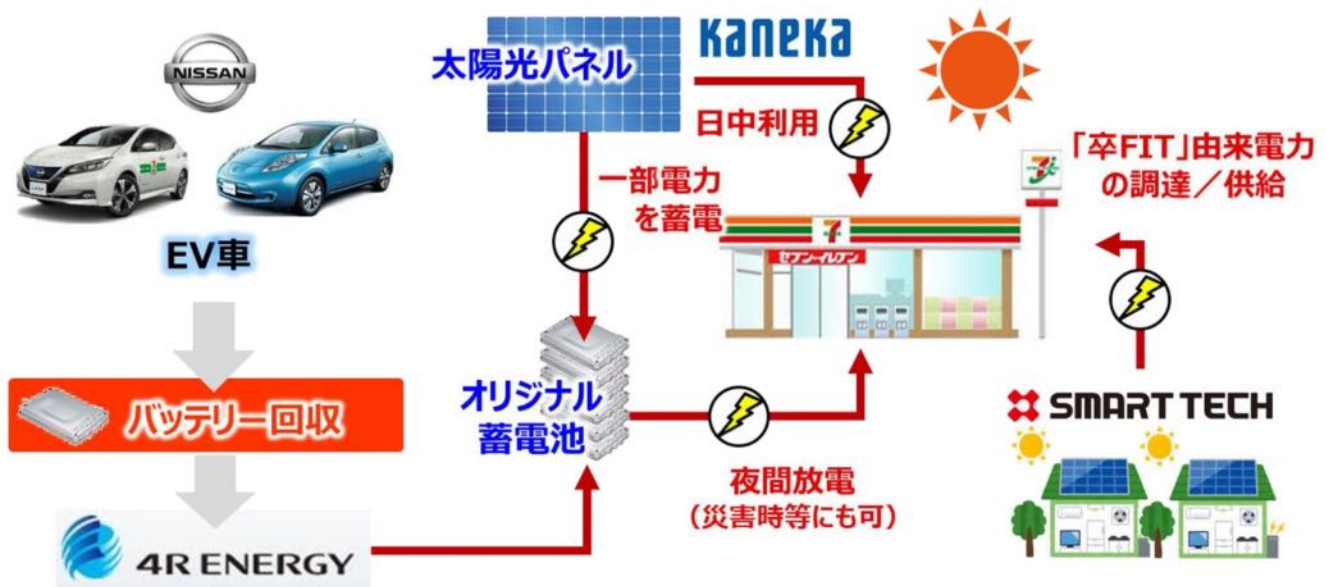
Commencement of Trial Test on 100% Renewable Energy Store Operation

In September 2019, as an initiative based on the Agreement on Cooperation and Collaboration in Promoting SDGs between Seven & i Holdings and Kanagawa Prefecture as well as Seven & i Group’s “GREEN CHALLENGE 2050” Environmental Declaration, Seven Eleven Japan started a trial test at 10 7-Eleven stores in Kanagawa Prefecture; all electric energy related to store operation is procured using renewable energy.

4R Energy Corporation’s original batteries—which uses reused batteries from the Nissan LEAF electric vehicle produced by Nissan Motor Corporation—and solar panels with significantly improved electric power generation efficiency made by Kaneka Corporation are installed at stores undergoing the trial. Electric power is used efficiently through in-house power generation. In addition, since November 2019, the procurement of electric power beyond what in-house generation is being supplied by SMART TECH Corporation based on post-FIT*1, which allowed an actual renewable energy rate of 100%*2 when combined with in-house power generation. The electricity generated during the day will be stored and used at night to save energy in stores and strengthen their function as regional infrastructure in the event of a disaster. In addition to initiatives such as “people- and environment-friendly stores” made thus far, we aim to significantly reduce CO₂ emissions through this initiative.

- ※1 In addition to initiatives undertaken so far, such as people- and environment-friendly stores, Seven & i aims to significantly reduce CO₂ emission through this initiative. It is an assistance scheme that fixes the buyback price of energy produced. Post-FIT is expected to gradually occur from November 2019 as the scheme ends for solar energy.
- ※2 Achieve an actual renewable energy rate of 100% by combining the use of electric power generated/stored by stores with that of electric power originating from post-FIT.

Overview of Initiative



Stores with Hydrogen Stations

Seven-Eleven Japan has signed a comprehensive agreement with Iwatani Corporation regarding the installation of hydrogen stations at stores. In March 2017, the companies opened a store with a hydrogen station in Sendai, Miyagi Prefecture, bringing the total number of hydrogen-station stores to three with the existing stores in Ikegami, Ota-ku, Tokyo and Kariya City, Aichi Prefecture (as of the end of February 2023). The 7-Eleven stores with hydrogen stations have installed pure hydrogen fuel cells to examine the potential for the using hydrogen at retail stores. The aim is to build sites that can serve as community-based social infrastructure capable of supplying products, services, and clean energy at a single point.



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

Introduction of Green Electricity in Stores, Including Japan’s First Offsite PPA

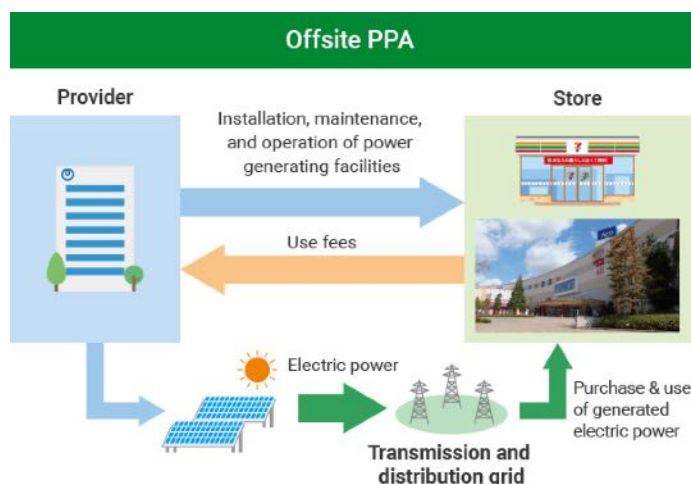
With the aim of realizing 100% renewable energy use in store operations of Seven & i Group, Seven & i Holdings and Nippon Telegraph and Telephone Corporation (NTT) have been steadily introducing electricity procurement based on Japan’s first^{※1} offsite power purchase agreement (PPA) and electricity from NTT group-owned green power generation plants in some stores, since April 2021. This initiative means that 40 7-Eleven stores of Seven & i Group and the Ario Kameari store now aim to use 100% renewable energy in store operations.

The off-site PPA model refers to power generation facilities that are installed away from demand locations with the power generated being supplied to demand locations. This time, NTT Anode Energy Corporation will set up two solar power generation plants and engage in electricity supply^{※2} via the transmission and distribution grid. In an offsite PPA, the project developer sets up an offsite renewable energy generation plant specially for companies and local governments who are electricity consumers, and provides long-term supply of electricity. This was Japan’s first offsite PPA. When the electricity from the PPA is insufficient, the rest comes from green electricity generation plants owned by the NTT group, so the electricity used in store operations is 100% renewable energy.

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

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

Offsite PPA Diagram



Installation of Electric Vehicle Chargers

Seven & i Group has installed approximately 2,400 chargers for electric vehicles (EVs) and plug-in hybrid vehicles (PHVs) as of the end of June 2023 in parking lots at about 140 stores in Japan, including 7-Eleven, Ito-Yokado, and Ario to provide a fee-based charging service. The initiative aims to increase the convenience of the commercial facilities and establish a pattern for using EVs and PHVs of charging them while shopping. It also aims to contribute to the realization of a decarbonized society by promoting the spread of environment-friendly, next-generation cars.



Electric Vehicle Chargers

Environmental Consideration in Leased Vehicles

Seven-Eleven Japan Operation Field Counselors (OFCs), who support franchised store management, use leased vehicles to visit franchised stores. Seven-Eleven Japan has been phasing in hybrid vehicles for these leased vehicles. In the fiscal year ended February 28, 2023, we replaced 362 leased vehicles with hybrid models, bringing the total to 4,180 hybrid vehicles in use.

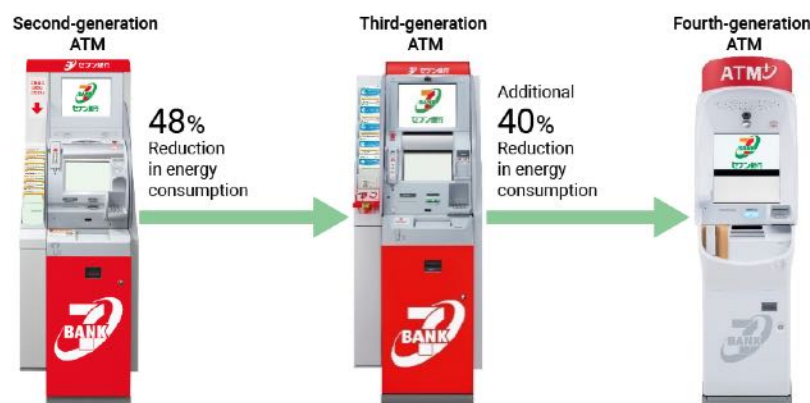


Example of leased vehicle

Reduction in CO₂ Emissions with the Introduction of 4th Generation ATMs

Since September 2019, Seven Bank has been gradually introducing new ATMs (4th generation ATMs) which consume even less power than conventional ATMs. Fourth-generation ATMs can further reduce power consumption by approximately 40% in comparison to 3rd generation ATMs, which consume 48% less power than 2nd generation ATMs. On completion of the replacement of the approximately 26,000 Seven Bank ATMs nationwide with 4th generation ATMs, CO₂ emissions will be reduced by about 10,000 tons^{※1} annually. As of the end of March 2023, approximately 13,400 4th generation ATMs have been introduced, and we are committed to their continued sequential introduction in the fiscal year ending of February 29, 2024.

※1 Conversion of CO₂ emission factors at 0.000500t-CO₂/kWh



Changes in power consumption by ATMs

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Effective Use of Resources

In response to such trends as the sharp increase in the world's population and its continued urbanization along with the rapid economic growth of emerging and developing nations, the depletion of natural resources essential for living has become an issue. Seven & i Group is working toward achieving a circular economy that makes effective use of resources by working with customers and business partners to reduce waste, collect recyclable resources at stores, promote recycling, and reuse materials.

With regard to the reduction of plastic shopping bags that has been attracting increased attention lately, Seven & i Group's "GREEN CHALLENGE 2050" environmental declaration sets the goal of replacing 50% of containers and packaging used in our original products by 2030, and 100% by 2050, with environmental-friendly materials. In addition, with regard to the reduction of plastic bags, we aim to reduce the use of plastic shopping bags to zero by 2030, and adopt sustainable, natural materials such as paper for shopping bags.



Collection of Recyclable Resource at Stores

Seven & i Group is promoting an important initiative to recover and recycle empty containers and other materials from its products. Every Group company cooperates with customers and local governments to collect recycling resources such as bottles, cans, polystyrene, paper cartons, and PET bottles at stores in accordance with local waste disposal sorting rules. Recently, some stores of the Group have also been cooperating with local governments to collect small electrical appliances, which have been drawing attention as "urban mines."

Ito-Yokado Hikifune store has been developing new initiatives to promote a circular economy, such as providing a place for demonstration of recycling experiments jointly conducted by Kao and Lion since October 2020. Also, in September 2023, Ito-Yokado Yokohama Bessho store launched a demonstration project in collaboration with R Plus Japan Ltd.* to collect food containers with the aim of using them in chemical recycling.

* R Plus Japan, a joint venture established by 40 companies, is working on the development and practical application of recycling technology that is efficient and has little environmental impact with the aim of recycling used plastic.

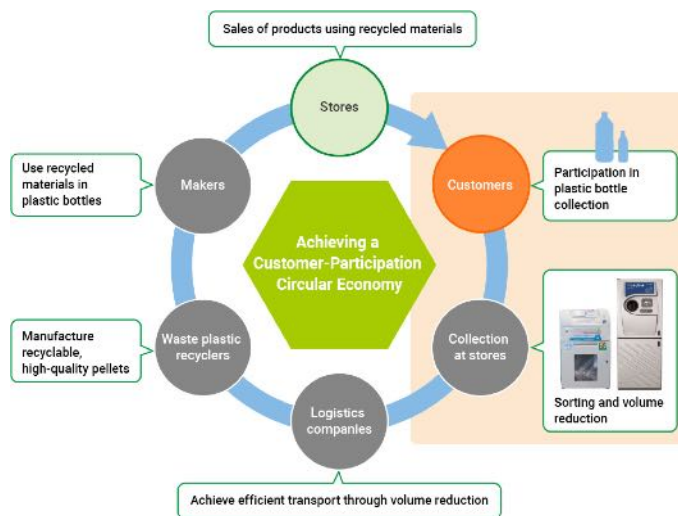
Installing Reverse Vending Machines for Collecting PET Bottles for Recycling

Ito-Yokado and York-Benimaru have had reverse vending machines for collecting PET bottles for recycling installed at stores since 2012. Since PET bottles inserted into the machines undergo an automatic process of foreign-matter removal and volume-reduction (by either compression or crushing), large volumes of bottles for recycling can be sent to recycling plants on each occasion, which reduces the delivery frequency from stores. Moreover, by utilizing Seven & i Group logistics routes, more efficient transportation is possible and the volume of CO2 emissions resulting from the operations can be reduced.

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

Seven-Eleven Japan conducted trials of reverse vending machines at five stores in Koto-ku, Tokyo starting in December 2015. Later, the program was expanded in stages to stores in Tokyo and Saitama Prefectures starting in December 2017. In addition, since June 2019, Seven-Eleven Japan has been partnering with Higashiyamato City, the Higashiyamato City Cleaning Business Cooperative, and the Nippon Foundation to gradually install PET bottle reverse vending machines to promote bottle-to-bottle recycling at all 7-Eleven stores in Higashiyamato City. Moreover, in September 2019, the installation of PET bottle reverse vending machines began at stores in Okinawa Prefecture, and in January 2020, installation began in Yokohama City, making it the first among ordinance-designated cities. As of the end of February 2023, 3,174 reverse vending machines have been installed in stores across the three companies, and approximately 12,400 tons of PET bottles have been collected in the fiscal year ended February 28, 2023. We also sell the “bottle-to-bottle” private products made from recycled plastic bottles collected at stores. Through these products, we are working on promoting understanding and awareness of the circular recycling system.

PET Bottle Recycling System Using Reverse Vending Machines



Small-sized reverse vending machine system for convenience stores

FY	2018	2019	2020	2021	2022
Amount recovered (tons)	8,900	9,740	8,700	10,800	12,400
Number installed (Units)	759	820	1,001	2,098	3,174

Number of PET bottle reverse vending machines installed and amount recovered

Achieving Complete Bottle-to-Bottle PET Bottle Recycling

From June 2019, Seven & i Group began selling “Seven Premium Hajime Ryokucha Ichi-nichi Ippon” in recycled bottles made by using 100% of the PET bottles collected by reverse vending machines at stores. It is the first initiative of its kind in the world that recycles PET bottles collected from specific distribution groups as raw materials and sells them as a product again in the same distribution group.*

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

Using Recycled PET Material for Clothing

Seven & i Group is making efforts to expand the use of recycled PET materials while promoting the collection of PET bottles. In February 2020, “Seven Premium Lifestyle Body Cooler,” an underwear that utilizes PET bottles collected by PET bottle reverse vending machines installed at the Group stores and uses recycled yarn made from the PET bottles, went on sale at Ito-Yokado and York-Benimaru stores nationwide.

As of the end of February 2023, Ito-Yokado carries approximately 220 clothing items that use these recycled materials, accounting for about 16% of the sales mix for Ito-Yokado’s underwear category. We plan to continue developing products that use recycled PET bottle materials moving forward

PET Bottle Recycling Scheme



Reducing the Use of Disposable Plastic Bags

Seven & i Group has promoted the reduced use of disposable plastic bags by asking customers whether they need a bag at the register, displaying posters and POP signs, and holding events to encourage customers to bring their own shopping bags when shopping at stores. In July 2020, we commenced usage fees for plastic shopping bags, and as of the end of February 2023, the rate of decline in use of plastic shopping bags for the entire Group was just under 80%.

Seven-Eleven Japan has recommended that 21,000 stores nationwide use plastic shopping bags containing 30% plant-derived biomass polyethylene to further reduce usage fees for petroleum-derived plastics. As plastic shopping bags started to cost money, the turn-down rate at Seven-Eleven Japan, which was about 30% before the charge was applied, has grown to be about 70% (as of the end of February 2023). The “amount equivalent to Head Office revenue” from the sales of plastic shopping bags is being used as part of costs for the installation of PET bottle reverse vending machines.

Reducing Waste Resulting from Products

Ito-Yokado is working to curtail the generation of waste and to promote reuse and recycling with a view to reducing waste disposal. For example, in product deliveries, Ito-Yokado utilizes reusable containers and hangers for delivery of apparel as a way of cutting down on the use of packaging and cardboard. At stores, Ito-Yokado promotes understanding of recycling, and store employees are encouraged to rigorously sort waste for recycling purposes.



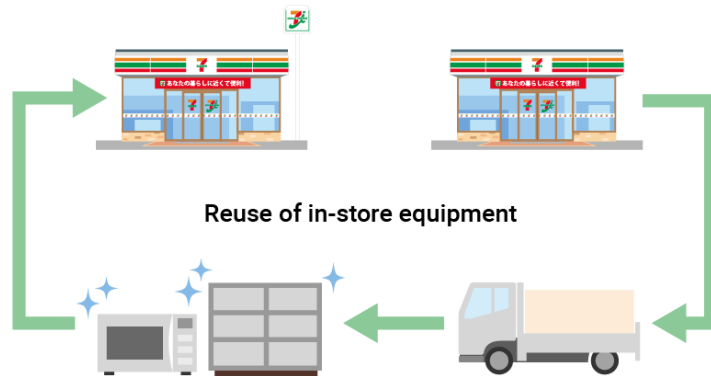
Shipping work at a distribution center



Reusable containers for store deliveries

Reuse of Fixtures and Building Materials from Closed Stores

When 7-Eleven stores are to be rebuilt or closed, the disposed product shelving, fixtures, and chiller cases are reused at other stores after undergoing maintenance. Furthermore, steel frames and sashes that are resulted in destructions of stores are reused in constructions of new stores to reduce construction waste.



Material Issue 3 Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

Introduction of Environmentally Friendly Packaging

Product containers and packaging play important roles including preserving products and displaying information about ingredients, but after product use, these items become waste. In the “GREEN CHALLENGE 2050” Environmental Declaration,” Seven & i Group is promoting the reduction of the environmental impact associated with containers and packaging by pledging to make 50% of the containers and packaging used in original products (including Seven Premium) consist of environmentally conscious materials by 2030, and 100% by 2050.



Plastic Usage Reduction Initiatives

At Ito-Yokado and York-Benimaru, we have devised sales methods for fresh food and delicatessen items that reduce the amount of containers and packaging used, such as selling by weight or selling individual loose items. In our delicatessen items sales areas, we are increasingly using paper bags rather than plastic containers for selling items such as croquettes and deep-fried chicken. In some other stores, some products sold in fresh meat sales areas have adopted the method of packing meat for sale in plastic bags without a polystyrene tray.

At Seven-Eleven Japan, the lids on containers of the “Cup Deli” line of salad products have been changed to top-seal types, and the amount of plastic used per container has been reduced by about 25% compared to conventional containers. (Plastic reduction in the fiscal year ending February 28, 2023: about 203 tons*) Moreover, aside from initiatives for product containers, we reduced the amount of oil-based plastic by about 12% compared to conventional materials through our original manufacturing process and the addition of biomass resin to some of the plastic promotional display items in 7-Eleven stores.

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



Example of packaging without trays (poultry)



“Cup Deli” products with top-seal lids

Shifting to Recyclable Packaging

In July 2015, we changed the paper cartons used for Seven Premium alcohol products from the previous aluminum carton material to a non-aluminum carton material. This change enables the cartons to be recycled as paper cartons. Moreover, the volume of CO₂ emissions per carton from the raw material procurement and manufacturing process is around 12% lower compared with the aluminum cartons. Therefore, this initiative has resulted in a reduction in CO₂ emissions of approximately 250 tons per year, the equivalent of the CO₂ absorbed by approximately 18,000 cedar trees.



The identification mark also changed from the Paper Mark to the Paper Carton Mark

Use of Biomass Raw Materials

In the fiscal year ended February 29, 2016, Seven-Eleven Japan replaced the original Salad Cup Container sold in the chilled cases of its stores with containers that use environmentally friendly PET made from recycled or biomass PET rather than oil-based PET. Ito-Yokado also uses bioplastics that make partial use of plant-based oil materials for the containers in its cut fruit and boxed lunches.



Example of Salad Cup Container using environmentally friendly PET



Bioplastic container



Cut fruit inside a bioplastic container

Adopting "Rice Ink" for Package Printing

In April 2016, Seven-Eleven Japan introduced rice ink for printing the packaging of rice balls sold at its stores. Rice ink is made from rice bran oil, a non-edible part of the plant extracted from rice bran. This ink reduces the Company's annual CO₂ emissions by around 60 tons compared with conventional petroleum-based inks and is therefore aiding in reducing environmental impact. Moreover, the packaging is also contributing to our efforts to promote local production for local consumption by using domestically produced rice bran oil, which is one of the raw materials.

In December 2016, Seven-Eleven Japan changed to plant-based packaging film and ink for its original bakery products. Compared with the previous oil-based packaging, this has therefore reduced the Company's annual CO₂ emissions by approximately 108 tons.



Product packaging made from plant-derived raw materials and rice ink prints

Introducing Paper Containers

Since June 2020, Seven-Eleven Japan has switched from conventional plastic to paper containers for "chilled boxed lunches" sold in the Tokyo metropolitan area (gradually expanding nationwide). Through this initiative, there was a reduction of about 406 tons of plastic in the fiscal year ending February 28, 2022 when compared to conventional containers that use plastic, and the target for the fiscal year ending February 28, 2023 is a reduction in plastic of about 800 tons. In addition, by combining paper material for the parts of sandwich packaging that had used film material, we reduced our use of plastic by about 40%.



Paper container for chilled boxed lunches



Packaging that combines paper material within the red frames

Use of Forest Thinning Materials

Certain Seven Premium cup soups and yoghurt drinks have containers made with Seven Forest thinning materials. Japan has a large number of unmaintained man-made forests that have been left unattended. With many such forests currently not fulfilling their potential as carbon sinks, use of forest thinning materials can contribute to the creation of healthy forests and prevention of global warming. Forest thinning materials are also being phased in for use in the outer sleeve section of the hot cups used for SEVEN CAFÉ, which is sold mainly at 7-Eleven stores throughout Japan.

> [See here for further information about Seven Forest \(in Japanese\)](#)

Introduction of Recycled Materials

Ito-Yokado and York are introducing recycled trays manufactured by suppliers that have received Eco Mark certification. In the fiscal year ending February 28, 2023, the introduction of recycled trays reduced annual CO₂ emissions by approximately 2,500 tons.



Recycled tray

Introduction of Environmentally Friendly Containers Designed for Easy Recycling

Seven-Eleven Japan has completed the switch to containers that use less petroleum-derived inks and colorants for its boxed lunches and delicatessen items. This is expected to reduce CO₂ emissions associated with the containers themselves as well as from the manufacturing processes for containers by approximately 800 tons per year. In addition, by not using colorants, these containers are designed to be environmentally friendly and easy to recycle.



Environmental Efforts of SEVEN CAFÉ

Many customers support SEVEN CAFÉ, which is promoting environmental considerations in various ways. For example, forest thinning material is used for the outer sleeves for hot beverages. Cups for iced beverages use a compound material that includes recycled PET. We are also working to cut down our use of limited resources, for example by making cups lighter and thinner. Since the fiscal year ended February 28, 2018, we have developed an antibacterial deodorizer that uses recycled coffee grounds collected from some of our stores. The new product is being used for cleaning at 7-Eleven stores. Moreover, in November 2019, we introduced straws for use at SEVEN CAFÉ that use the biopolymer “PHBH®” from Kaneka Co., Ltd., which is 100% plant-derived and biodegradable. Environmental measures currently being promoted by SEVEN CAFÉ include an initiative to reduce the amount of petroleum-derived plastic straws in circulation by introducing wooden stirrers in approximately 20,000 outlets by February 2023.



Environmentally friendly SEVEN CAFÉ



Antibacterial deodorizer that uses recycled coffee grounds

Introduction of Environmentally Friendly Cutlery to All Stores Nationwide

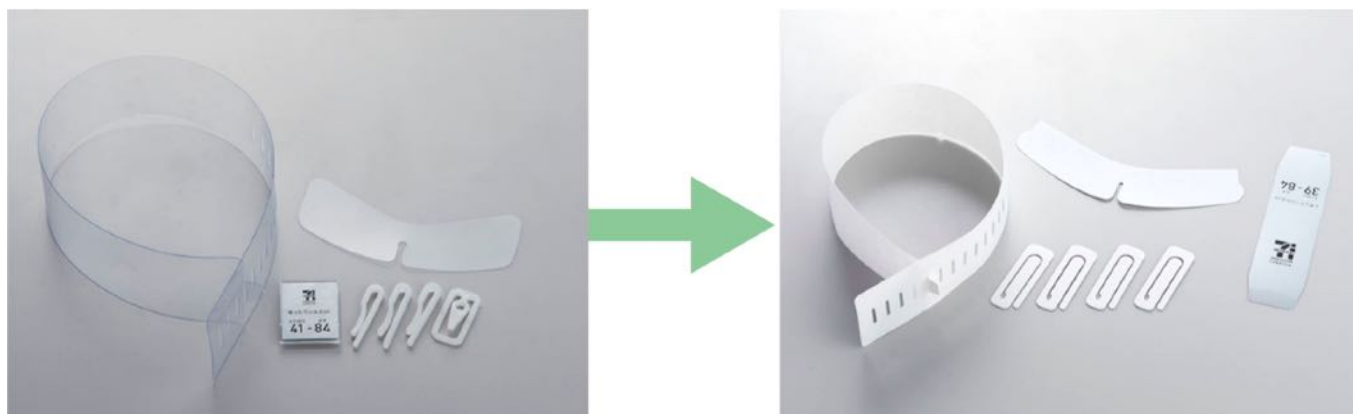
As a means of curbing the distribution of unnecessary cutlery, such as spoons and forks, for same time 7-Eleven stores have been asking customers whether they require cutlery with their purchases. Furthermore, beginning with all stores in Okinawa Prefecture, Seven-Eleven Japan introduced cutlery that is 30% comprised of plant-based materials (biomass). This environment-friendly cutlery introduced in Okinawa Prefecture has been adopted at 7-Eleven stores nationwide in conjunction with the Plastic Resource Circulation Act, which went into effect on April 1, 2022. Going forward, we will further strengthen our efforts to check whether or not customers require cutlery and also work on curtailing petroleum-derived plastics.

Changing the Plastic Materials Attached with Shirts to Fiber Paper

Ito-Yokado in March 2022 refreshed the popular, ultra-shape-holding dress shirts under the Group's Seven Premium Lifestyle private brand products. In order to promote plastic-free, plastic shirt packaging clips other than the outer packaging were changed to fiber paper. This is equivalent to 110,000 plastic bottles*1 per year*2. Fiber paper is a special reinforced paper as strong as plastic that is produced using a distinct paper making method. In addition to being highly biodegradable due to the nature of paper, its papermaking method is also environmentally friendly and sustainable. Going forward, we are working to make it so that all Seven Premium Lifestyle products can be changed over to use fiber paper.

*1 PET bottle reference value: Group's private brand products (January 2022 survey, top 10 average values)

*2 Excluding outer packaging



Changing plastic materials to fiber paper

Introducing Packaging for Underwear with Green Nano*

The Seven & i Group is changing the packaging for the underwear in the Group's "Seven Premium" private brand products to a green nano material in an effort to reduce CO2 emissions when they are incinerated. The Group used approximately 11 million units of packaging with green nano in the fiscal year ending February 28, 2023, with the target of 12.6 million units by 2025.

* "Green nano" is a technology developed in Japan to greatly reduce the amount of CO2 emitted during incineration just by adding a small amount of it to the raw materials for plastic

Material issue 3 Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

Measures against Food Loss / Waste and Measures for Organic Waste Recycling

Food accounts for about 60% of Seven & i Group's sales, and the "GREEN CHALLENGE 2050" Environmental Declaration has established food loss and waste / organic waste recycling countermeasures as one of its themes and is promoting initiatives. The "GREEN CHALLENGE 2050" aims to raise the organic waste recycling rate to 70% by 2030 and 100% by 2050, and the amount of food loss and waste* will be reduced by 50% by 2030 and 75% by 2050 compared to 2013.

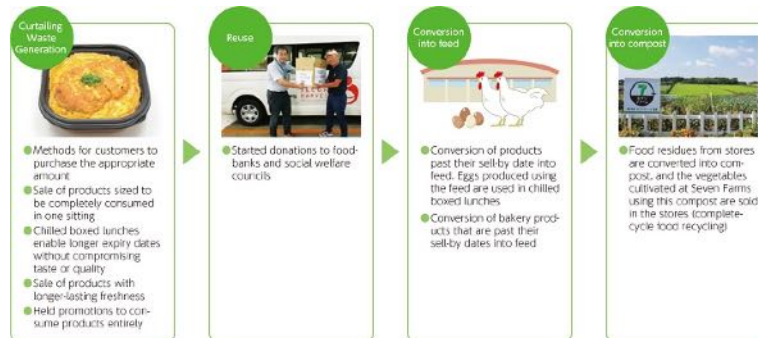
*Amount generated per one million yen in sales

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

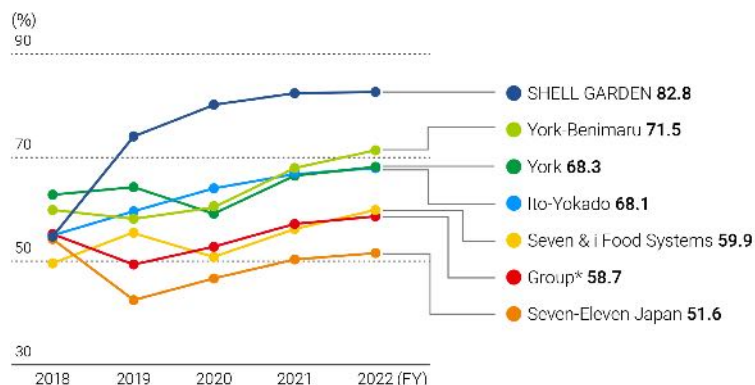


Our Approach to Reducing Food Waste

Initiatives to mitigate actual food waste generation are vital to addressing the societal challenge of reducing food waste. This theme is also positioned as the foremost priority in the fundamental principles of the Basic Act on Establishing a Sound Material-Cycle Society, and the Seven & i Group is also taking the initiative in mitigating the generation of waste as a foremost priority. We are additionally making efforts to ensure that we can recycle any food waste that is generated.



Core Operating Companies' Organic Waste Recycling Rates



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

* From March 2021, results for the former Life Foods are included in the York-Benimaru figures.

Amount of Food Waste Generation

	FY2018	FY2019	FY2020	FY2021	FY2022
Amount generated per million yen of sales (kg)*	21.80kg	22.35kg	21.01kg	20.28kg	19.83kg

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

Initiatives Across the Entire Supply Chain

Seven & i Group continues to implement initiatives to reduce food loss / waste throughout the entirety of its supply chain. As one example, we are relaxing product delivery deadlines at Seven-Eleven Japan, Ito-Yokado, and York-Benimaru. Until now, our business practice was to use the “1/3 rule,” which entailed delivering products to stores before a third of the period between the date of manufacture and the expiration date had passed. Since 2012, as an initiative for reducing food loss, we have revised this to a “1/2 rule,” which relaxes delivery deadlines by allowing deliveries before half of the period between the date of manufacture and the expiration date has passed, for certain categories of products. In the fiscal year ended February 28, 2023, the target categories for this rule were expanded to include all non-refrigerated processed foods. In addition, for the Group's Seven Premium private brand products, we initiated the modification of expiration date labeling from the previous “date” to a “year and month” in the fiscal year ended February 29, 2020, and had rolled this out to encompass approximately 70% of all products by the fiscal year ended February 28, 2023.

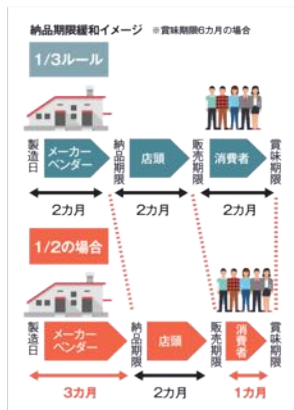


Image showing relaxed delivery deadlines

Initiatives of Each Group Company to Reduce Food Waste

Each Seven & i Group company is implementing various innovations to reduce food waste in areas including sales methods and products. For example, Seven-Eleven Japan promotes the Temaedori Project, a joint initiative of the Japan Franchise Association and four major convenience store chains. The Temaedori Project is an initiative aimed at reducing food loss by encouraging customers purchasing food items that they plan to eat immediately to choose from products placed in an immediately accessible location.

As of February 2023, this activity has also been expanded to Ito-Yokado and York-Benimaru stores. In addition, Seven & i Food Systems’ Denny's restaurants provide menus offering dishes with smaller servings that can be finished comfortably without leftovers. It also provides take-out containers, mottECO, for customers to take the leftovers home, when they wish.

Additionally, York-Benimaru is converting fish ilium bones discarded by stores into feed. Moreover, 100% of waste oil, such as that generated from the frying oil used to cook delicatessen items at the stores of each Group company, is recycled.

Initiation of an “Ethical Project”

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

Extending Expiration Dates of Original Daily Products

Seven-Eleven Japan has made technological innovations at the manufacturing factories. Reviewing the manufacturing processes and temperature / hygiene management has made it possible to ensure safety and security as well as improve taste and quality, such as by not using preservatives, along with extending expiration dates (developing products with longer-lasting freshness). Starting with chilled boxed lunches in 2009, Seven-Eleven Japan has extended the freshness of products such as gratin and doria, pasta dishes, sandwiches, and delicatessen items. As of the end of April 2022, about 84% of our original daily products have a sales deadline that is over 24 hours away.

Donations to Food Banks

Ito-Yokado has been donating unexpired foods from some stores to food banks* since the fiscal year ending February 28, 2018, to a cumulative total of around 76.5 tons of donations (as of the end of February 2023).

With regard to reuse, Seven-Eleven Japan has been donating inventories of processed foods to food banks when stores are closed or refurbished, and since the fiscal year ending February 28, 2019, it concluded regional comprehensive collaboration agreements with municipalities and began making donations to social welfare organizations. As of the end of February 2023, it has concluded regional comprehensive collaboration agreements with 230 municipalities.

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

Deployment of Eco Distribution

Seven-Eleven Japan has been promoting “Eco Distribution*” since 1994 as a system for appropriate processing and recycling of organic waste. As part of this system, we are endeavoring to recycle products that have passed their sales deadlines into feed or compost, and in the fiscal year ending February 28, 2023, the combined recycling rate for products that had passed their sales deadline and discarded food oil was 52.4%.

* Eco Distribution: Seven-Eleven’s original waste recycling system

A recommended waste disposal provider for franchisees in each region collects all of the waste from Seven-Eleven stores for appropriate processing and recycling.

Circular Economy in Agricultural Initiatives

Establishment of Seven Farm

In August 2008, with the aim of enhancing recycling rates and revitalizing local agriculture, Ito-Yokado established “Seven Farm Tomisato” as an agricultural production corporation in Tomisato City, Chiba Prefecture, thereby becoming the first player in the retail sector to engage in “Circular economy in agriculture.” “Circular economy in agriculture” is an initiative for composting food residues (garbage) generated by Ito-Yokado stores and using it as fertilizer at Seven Farms. The produce that is grown at the farms is then harvested and sold at the stores from which the food residues were generated. As of the end of March 2023, Seven Farm had expanded to 11 sites nationwide, Seven Farm is actively working to acquire certification under Japan Good Agricultural Practice (JGAP), an agricultural production process management technique, and all the 11 Seven Farm locations (as of the end of March 2023) have acquired JGAP certification.



Seven Farms



Seven Farms' Circular Economy Model

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

On-site Processing (Garbage Processors) Initiatives

Ito-Yokado introduced a “garbage processor” system to break down organic waste using microorganisms in October of 2011 and has installed this on the sites of 25 stores as of the end of February 2023. Garbage that is ill-suited to recycling, such as that with a highly fibrous content is broken down into water and CO₂ using a biodegradable processor which harnesses the power of microorganisms. In addition, a composting processor composts the temporarily fermented material produced within the garbage processor, with this material then delivered to partner farms. By using both processors to reduce the volume of garbage on site, this process has the results of simultaneously reducing CO₂ emissions generated during collection and transport, and offering an effective means of reducing waste volumes. Seven-Eleven Japan also started operations tests of biodegradable garbage processors in 2013. The on-site organic waste treatment eliminates the need for delivery to local municipal treatment centers and contributes to the reduction of CO₂ emissions generated during delivery and incineration. As of the end of February 2023, it had introduced and begun operating these at a total of 17 stores in Tokyo and Nagano Prefecture on a trial basis.



Biodegradable garbage processors (Ito-Yokado)



Biodegradable garbage processors (Seven-Eleven Japan)

Awareness-Raising Activities for Reducing Food Loss and Waste

In light of the fact that approximately half of food waste is generated by households, the Seven & i Group is conducting educational activities to reduce food waste at home. For example, Ito-Yokado and York-Benimaru conduct “food drives,” which involve customers bringing surplus food from their households to participating stores, with this food then donated to food banks.

From June 2020, Ito-Yokado successively expanded the number of stores with a permanent food drive collection box to 75 (as of the end of February 2023). The foods collected at each store are centralized at distribution centers with the cooperation of contracted logistics companies, and then delivered to food canteens for children and persons in need of support through food banks. In addition, we implemented a food drive to raise employee awareness at venues including the Head Office of each Seven & i Group company and selected district offices of Seven-Eleven Japan.

At Seven & i Food Systems, companies in the restaurant business have the responsibility to promote efforts that encourage customers to finish their food. For example, at the end of February 2023, 38 local municipals nationwide have registered as stores that promote food waste reduction, such as stores that encourage customers to finish their meals. Additionally, since October 2019, Denny's menu has made it clear that there is a small-serving option for rice that is easy to finish, and it has displayed the “Loss Non” symbol used by the national movement to promote food loss and waste reduction.

Furthermore, the mottECO project, an undertaking to reduce food loss implemented by Denny's restaurants, was selected by the Ministry of the Environment as a “Model Business for Reduction of Food Waste and Promotion of Recycling by Local Governments and Businesses” over the three consecutive years from 2021.

In the fiscal year ending February 29, 2024, the scope of this initiative is expanded to become a four-company joint undertaking by also involving Royal Holdings Co., Ltd., SRS Holdings Co., Ltd, and Nippon Hotel Co., Ltd. In this way, we are engaging in new activities of this kind which are of a nature unique to the food and beverages business. These activities are intended to facilitate the spread of a “culture of taking the initiative to bring home one's leftovers,” by making available dedicated takeaway containers made using environmentally friendly materials, and thus allowing customers who wish to do so to bring home any unfinished food.



mottECO poster



Bottle for collecting discarded food oil

Material Issue 3 Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

Sustainable Procurement of Raw Materials

Seven & i Group has established the Sustainable Procurement Policy that includes traceability, conservation of biodiversity, response to climate change issues, and consideration of human rights, and we have promoted initiatives with the aim of co-existing with nature as set forth in the GREEN CHALLENGE 2050 Environmental Declaration. In addition, in the GREEN CHALLENGE 2050, it is stipulated that we make 50% of food ingredients used in our original products (including Seven Premium) sustainable by 2030, and 100% by 2050.

[Seven & i Group Sustainable Sourcing Principles and Policies](#) >

[“GREEN CHALLENGE 2050” Seven & i Group's Environmental Declaration](#) >



Approach to Marine Product Procurement

Seven & i Group is working to sell products for which sustainability is guaranteed, such as those certified by the MSC[※], to pass on the rich blessings of the sea to future generations. Further, to fulfill our responsibility as a retail business that connects producers and customers, we are also focusing on conveying the value of these products and the producers' desires to customers through our stores and websites.

※MSC : Marine Stewardship Council

An organization that operates and manages a system for certifying sustainable and environmentally friendly fishing practices.

<https://www.msc.org/en-us/>

Sales of Products Certified by the MSC

Since October 2018, in the marine products under Seven & i Group's Seven Premium private brand, 3 cod roe products and 3 karashimentaiako (salted cod roe with red pepper) products, and an other product (as of the end of February 2023) certified by MSC have been sold at the stores of Seven & i Group. These are natural marine products obtained through fishing practices that are friendly to marine resources and the marine environment and have passed management system inspection even for processing and distribution. In the fiscal year ended February 28, 2023, MSC certified products accounted for 8.1% of Seven Premium marine products.



MSC-certified marine product



MSC label

Sales of Products Certified by the ASC

At Ito-Yokado, York-Benimaru, and York, 6 products with ASC[※] certification are being sold as marine products of the Group's private Seven Premium brand (as of the end of February 2023). ASC certification is conferred upon aquaculture companies that have shown consideration of their responsibilities to the environment and society. In the fiscal year ended February 28, 2023, ASC certified products accounted for 3.0% of Seven Premium marine products.

※ASC: Aquaculture Stewardship Council

An organization that administers and maintains an international certification system related to aquaculture.

<https://www.asc-aqua.org/>



ASC-certified marine product



ASC label

Sales of Products Certified by MEL

Ito-Yokado is the first major Japanese retailer to obtain MEL[※] certification, a certification system for eco-friendly catching and cultivation of marine products. From April 2020, 4 original "Fresh Fish with Traceability" products—yellowtail, amberjack, red sea bream, and flatfish—were given the MEL mark. With the further certification given to wakame seaweed and ginzake salmon, certified products of a total of 9 varieties of fish are now being sold at 123 Ito-Yokado stores nationwide as of the end of February 2023. Further, to convey the value of these certified products to customers, some stores have installed point-of-purchase ads in fish sections that explain the certifications.

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※MEL: Marine Eco-Label Japan

This marine product eco-label certifies fisheries and aquaculture producers that are actively managing fishery resources with consideration for their sustainable use and conservation of the environment and ecosystems, as well as businesses that process and distribute marine products from such producers.

<https://www.melj.jp/>



MEL-certified marine product



MEL mark



Point-of-purchase ad that explains marine product certifications

Sales of Alaska Seafood Products

Seven & i Group stores actively sell and convey to customers the quality of Alaska Seafood products, which are sourced through environmentally friendly fishing practices. Alaska Seafood is all-natural marine products, and strictly manages resources and fisheries in the region of product origin of Alaska, to ensure that no damage results to the ecosystems which conserve the natural marine resource.

In the fiscal year ended February 28, 2023, Ito-Yokado sold sablefish, sockeye salmon, and benisujiko (salted salmon roe) at food sections. Furthermore, starting in November 2022, we began using Alaskan seafood for the hand-wrapped rice balls sold at 7-Eleven stores, with the Alaska Seafood logo displayed on the packaging.



Hand-wrapped rice ball made with Alaskan seafood



Alaska Seafood logo

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

Approach to Agricultural Product Procurement

Seven & i Group is promoting the acquisition of GAP (Good Agricultural Practice) certification for safe farm and aptitude management to promote the procurement of sustainable agricultural products. We also procure certified ingredients, such as those produced with reduced use of pesticide and those made from organic and fair trade ingredients.

Promotion of GAP Certification Acquisition/Sales of Reduced-pesticide Products

At Ito-Yokado's Seven Farms, which are engaged in recycling-oriented agricultural operations, and under Ito-Yokado's original Fresh Vegetables with Traceability and Fresh Fruits with Traceability products, Ito-Yokado aims to ensure safe agricultural produce, correct farm management, and so forth. Therefore, Ito-Yokado has recommended the acquisition of Good Agricultural Practice (GAP) certification.

GAP is an agricultural production management method recommended by the Ministry of Agriculture, Forestry and Fisheries of Japan. It provides a set of standards to be followed in daily farm management to increase food safety and ensure environmental conservation. The minimum necessary levels of agricultural chemicals are used as GAP includes initiatives relating to food safety and environmental conservation.

Moreover, Ito-Yokado and York-Benimaru sell original products that use fewer agrichemicals than the values regulated by law. Examples include the original Fresh Vegetables with Traceability and Fresh Fruits with Traceability products sold at Ito-Yokado. They are grown with fewer agrichemicals and assure traceability of the growing region and growing history. Sales of all foods in the Traceability series including these products in the fiscal year ended February 28, 2023 at Ito-Yokado topped ¥24.8 billion.

Furthermore, the methods and frequency of use of agricultural chemicals vary by region and crop. The Fresh Vegetables with Traceability category and certain other products comprise foods grown with the goal of applying agrichemicals with half or lower of the usual frequency of each growing area (the average number of applications for each crop stipulated by local government organizations and other public bodies).

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

Number of GAP-certified instructors in the Seven & i Group

	FY 2021	FY 2022
Number of certified instructors*	62	139

* Employees of Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Seven & i Food Systems, IY Foods, and Seven & i Holdings

* Total of JGAP fruits / vegetables and livestock

Ito-Yokado Sales of Fresh Foods with Traceability

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Sales (100 million yen)	226	228	246	243	248

* Approximate number



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

Five Promises of Fresh Vegetables with Traceability and Fresh Fruits with Traceability

1. These lines deal with only domestically grown agricultural products.
2. Producers who properly grow vegetables on suitable land are carefully selected from all over Japan.
3. Products are delivered to customers under the name of each individual producer.
4. Discerning techniques and personalities are introduced on the website and on sales floors.
5. Agrichemical reduction targets are set and continuous checks are performed on agrichemicals and radioactive materials.

GAP Initiatives (Excerpt)

■ Food safety (create and implement rules to maintain food safety)

- Measures for preventing and reducing pollution caused by heavy metals and mycotoxins derived from the environment
- Proper storage and use of pesticides, personal health and hygiene management of workers
- Safe storage and handling of agricultural machinery, etc.
- Prevention of foreign matter intrusion, storage methods for harvested crops, etc.

■ Environmental conservation (create and implement rules to protect the safety of farms and surrounding environment)

- Prevention of environmental contamination due to pesticides
- Appropriate soil management
- Proper waste/wastewater treatment methods
- Cutting down on unnecessary and inefficient energy consumption
- Creation of measures to mitigate damage due to harmful birds and wildlife, etc.

Sale of Organic JAS-certified Foods

Under Seven & i Group's Seven Premium private brand, we sell organic JAS-certified products such as bamboo shoots and other agricultural products, as well as coffee and other processed foods. Ito-Yokado also sells organic JAS-certified products as original Fresh Vegetables with Traceability products.

Sale of Certified International Fair Trade Products

Under Seven & i Group's Seven Premium private brand, we sell coffee beans, cacao and other products that have acquired International Fair Trade Certification, a system that supports the sustainability and diets of producers in developing countries.

Palm Oil Procurement

Palm oil is widely used in various processed foods as well as in household goods such as detergents, but problems have been indicated, such as destruction of the environment in countries where it is produced and the use of child labor and forced labor on farms. Seven & i Group joined the Roundtable on Sustainable Palm Oil (RSPO) in January 2020. Palm oil that is guaranteed to be sustainable is being used for some of the Group's "Seven Premium" private brand products.

The annual report on the Seven & i Group's procurements of RSPO-certified palm oil may be viewed at the official RSPO website.

[➤ Annual Communication of Progress \(ACOP\)](#)

Procurement of Organic Cotton

In response to growing interest in products that are safe and secure for our customers, and environmentally friendly, Seven & i Group has promoted the procurement of organic cotton for underwear and bedding as part of its sustainable procurement efforts. Starting February 2020, to convey the value of organic cotton to customers in an easy-to-understand manner, we started selling products with a common symbol displayed that satisfy certain conditions, such as being internationally certified through the American Organic Content Standard (OCS) or Global Organic Textile Standard (GOTS).



Organic cotton symbol 1



Organic cotton symbol 2

Sale of Organic Cotton Products

Seven & i Group sells women's 100% Organic Cotton Innerwear products that have cleared strict organic production standards under the Seven Premium private brand. These products are sold at 109 Ito-Yokado stores throughout Japan (as of the end of February 2023) and the Group's online shop. Only organic cotton that meets U.S. Organic Content Standards (OCS) is used as a raw material in these products. We also sell bedding, such as quilt covers and pillowcases, and towels made of organic cotton.



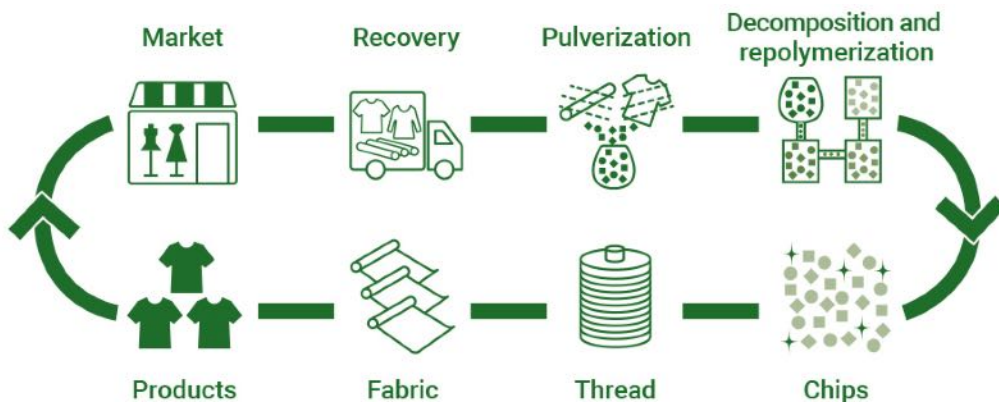
Seven Premium Lifestyle 100% Organic Cotton Innerwear

Sale of Products Using Recycled Fibers

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

Sale of Products Using Recycled Polyester

Ito-Yokado began to sell casual wear made with the recycled polyester “RENU®,” created by recovering and recycling previously discarded garments and clothing fabrics. Since the fiscal year ended February 28, 2022, we have carried items, including women’s and men’s t-shirts, shirts, and lower body garments for purchase at approximately 100 stores. In the fiscal year ended February 28, 2023, Ito-Yokado sold approximately 580,000 units for 1,200 million yen and under a plan to further expand our range.



Sale of Eco-Friendly Umbrellas

“Eco-friendly Revolving Umbrellas (Men’s),” a part of the Seven Premium range, the private brand of Seven & i Group, are sold at 98 Ito-Yokado store nationwide (in FY2022) as well as the Group’s integrated portal website. This product is an eco-friendly umbrella with a water-repellent finish which does not use fluorine, made using recycled polyester in the umbrella fabric. It is designed to be wind-resistant to revolve and adjust to winds, giving it excellent durability.



Men’s “Seven Premium Lifestyle”
Eco-friendly revolving umbrella



Men’s “Seven Premium Lifestyle”
Eco-friendly revolving foldable umbrella

Animal Products Procurement

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

For the product, our procurement officers/merchandisers check with producers at the production sites to ensure that they are applying appropriate feeding and rearing management. Before the products are sold, various tests are conducted, including agricultural chemical residue tests, as well as soil, feed, and water quality tests, and third-party certification is obtained.

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

■ Five Promises of Fresh Meat with Traceability

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

■ Seven initiatives for the Sustainability of Agriculture (GAP)

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

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

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

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

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

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

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

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

Approach to Usage of Forest Resources

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

Use of FSC®-Certified Paper and PEFC-Certified Paper

Seven & i Holdings is promoting use of paper with FSC® certification and PEFC certification, which leads to forest preservation. In March 2017, we started using FSC®-certified paper for paper board boxes in our Seven Premium private brand. As of February 28, 2023, FSC®-certified paper is used for 365 items including ice cream containers, and PEFC-certified paper is used 26 items.

Furthermore, we use FSC®-certified paper for the cash envelopes available at Seven Bank ATMs, all manner of leaflets, the Bonolon, Warrior of the Forest magazine, and Denny's mottECO containers. At Seven & i Food Systems, as a food services company we have been promoting the mottECO initiative to both encourage customers to eat everything they have ordered and to also make them feel free to take home any leftovers. We use FSC®-certified paper containers at our Denny's locations specifically for taking home leftovers.



※FSC®N002571

※FSC® certification is an international certification system for certifying the proper processing and distribution of wood harvested from forests which are certified to be properly managed.

➤ [For more details about mottECO initiatives](#)

Material Issue 3 Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

Supply Chain Management (Environment)

Seven & i Group is making efforts to reduce its own environmental impact as well as working together with its business partners to reduce environmental impact across the entire supply chain. Besides requesting that our contractors that are manufacturing original products to comply with the Business Partner Sustainable Action Guidelines, we are also working to save energy at factories and introduce eco-friendly vehicles.



Applying the Business Partner Sustainable Action Guidelines

To ensure that it meets its social responsibilities on matters such as reducing its impact on the environment, Seven & i Holdings formulated the Business Partner Action Guidelines in 2007 and asks business partners to comply with them. In December 2019, to clarify our intention to build a sustainable society together with our business partners, we enhanced items related to human rights and labor issues. Thus we changed the name of the guidelines to "Seven & i Group Business Partner Sustainable Action Guidelines." "8. Global Environmental Conservation" in the Seven & i Group Business Partner Sustainable Action Guidelines defines items such as compliance with environmental laws and regulations, appropriate handling of wastewater and waste, consideration of biodiversity, and proactive use of energy-efficient equipment and eco-friendly technologies, as well as items related to the "GREEN CHALLENGE 2050" environmental declaration.

For our business partners to understand these guidelines for sustainable behavior and take effective action, we are carrying out the following activities, which are primarily aimed at the original products manufactured by the Group companies. In particular, we have been conducting training for our business partners since the fiscal year ending February 28, 2019, to support the promotion of their efforts. In 2019, we held local briefings on the Business Partner Sustainable Action Guidelines and related policies for our business partners at four venues in China and five venues in Southeast Asia. A total of 287 factories (94.4% participation rate^{※1}) and 482 business partners took part. In the fiscal year ending February 28, 2022, these in-person briefings, "Business Partner Sustainable Action Guidelines and CSR Audit Briefings," were canceled accompanying the global spread of COVID-19.

We began to distribute "Briefings and Practicals on the Business Partner Sustainable Action Guidelines" in an on-demand format to our business partners with manufacturing bases overseas (274 participants from 178 companies^{※2}) from June 2020. From August 2020, it was possible to view these resources in Chinese and five other Asian languages, while in October instructional video streams for CSR audits with Chinese narration were also distributed to business partners within China (79 participants from 66 companies). In the fiscal year ending February 28, 2022, "Business Partner Sustainable Action Guidelines and CSR Audit Briefings," were distributed in live and on-demand streaming (1,071 participants from 517 companies^{※2}). In the fiscal year ending February 28, 2023, we distributed live and on-demand streamings (666 participants from 480 companies^{※2}).

- ◆ Awareness and spread: Organizing of briefings
- ◆ Confirmation of implementation: Administering of self-check sheet
- ◆ Support for implementation: Organizing of compliance training
- ◆ Validation of implementation: Conduct of CSR audits and encouraging the taking of corrective action

※1 Percentage of factories participating in briefings among those subject to CSR audits (overseas)

※2 Reference values taken from access logs online briefings

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

CSR Audits and Corrective Measures

Since the fiscal year ended February 28, 2013, the Seven & i Group has had CSR audits conducted by third-party inspections organizations at the manufacturing factories of our private brand suppliers in developing countries. The CSR audits include everything from items related to human rights and labor issues to inspections of environmental aspects, such as compliance with environmental laws and regulations, management of effluent and chemical substances, and promotion of energy-saving and environmental protection activities.

If the business partner is found to be in conformance upon completion of the audit, we issue a Certificate of Conformity. However, if items not in conformance with the audit items (nonconforming items) are found, the third-party auditing organization will indicate the nonconforming items to the business partner in question. If the audit finds items that do not comply with the audit program (unacceptable items), the external audit organization provides guidance to the business partner concerned. The business partners must submit a corrective action plan (CAP) to the auditing organization within 10 days of the audit being completed, and must take immediate action to improve the items. After receiving a report on the completion of improvements for the relevant items, the completion of improvements is confirmed based on the submission of photos showing the improvements, guarantee documents (evidence) and other materials. However, for factories that exceed certain standards, such as when numerous serious unacceptable items are found, the resolution of issues is confirmed through another visit to perform a re-audit. When correction of the non-compliant items is completed or the third-party auditing organization and Seven & i Holdings judge that the plan contained in the CAP is valid, a Certificate of Conformity is issued to the relevant business partner.

The issuance of a "Certificate of Conformity" is a prerequisite for a business relationship to continue. In addition, when a new transaction is requested, we ask that you understand and comply with the "Seven & i Group Business Partner Sustainable Action Guidelines" and begin the transaction after a "Certificate of Conformity" has been issued through a CSR audit.

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

Promoting Environmental Information Management at Manufacturing Factories

Seven-Eleven Japan has its original daily products manufactured by several contract manufacturers. These manufacturers have organized the Nihon Delica Foods Association, which reports on the CO₂ emissions, waste emissions, and the food recycle rate. It works to ascertain the environmental information of our contract manufacturers and hold study seminars through the "Environmental Promotion Team" (held monthly) under the CSR Promotion Committee of the Nihon Delica Foods Association, where it shares and spread examples from each manufacturer.

221 factories in Japan that are tasked with manufacturing the Group's "Seven Premium" private brand products have acquired ISO 14001 certification for their environmental management systems.

Scope 3※1 Calculation

Seven & i Holdings is working to reduce CO₂ emissions and evaluate its environmental impact at every stage from the supply chain through to sales and consumption, as stated in its Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming. To this end, the Group has calculated the CO₂ emissions ("Scope 3") throughout the entire supply chain following the "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain Ver. 2.4." of the Ministry of the Environment. For the fiscal year ending February 28, 2023, we calculated emissions for 10 major Group companies.※2 The results showed that Scope 3 emissions accounted for almost 90% of the Group's overall emissions, and of these, around 80% originated in the raw materials procurement process. We will analyze this calculation result and use it to achieve further reductions of CO₂ emissions across the entire supply chain.

※1. "Scope 3": CO₂ emissions other than those from the company, emitted from its procurement of raw materials and products, transportation, and product use, together with CO₂ emissions from waste disposal processes

※2. The following 10 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, SHELL GARDEN, IY Foods, Akachan Honpo, THE LOFT, Seven & i Food Systems, and Seven Bank

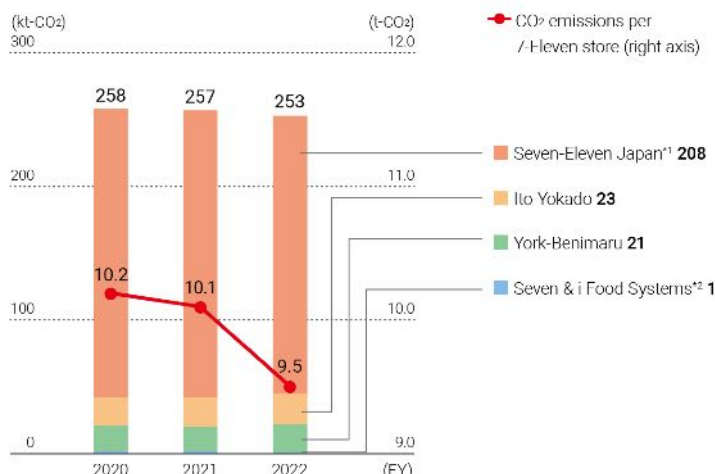
Breakdown of Greenhouse Gas Emissions throughout the Supply Chain in the Fiscal Year Ending February 28, 2023 (Totals for 10 companies)

Categories	Amount of emissions (t-CO ₂)	Composition ratio (%)
Category 1 (Purchased goods and services)	14,202,047	86.1%
Category 2 (Capital goods)	504,969	3.1%
Category 3 (Fuel- and energy-related activities not included in Scope 1 or 2)	298,640	1.8%
Category 4 (Upstream transportation and distribution)	261,331	1.6%
Category 5 (Waste generated in operations)	58,014	0.4%
Category 6 (Business travel)	7,278	0.0%
Category 7 (Employee commuting)	42,185	0.3%
Category 8 (Upstream leased assets)	-	-
Category 9 (Downstream transportation and distribution)	24,970	0.2%
Category 10 (Processing of sold products)	-	-
Category 11 (Use of sold products)	44,312	0.3%
Category 12 (End of life treatment of sold products)	938,760	5.7%
Category 13 (Downstream leased assets)	102,165	0.6%
Category 14 (Franchises)	-	-
Category 15 (Investments)	-	-
Other	4,462	0.0%
Total of Scopes 3	16,489,131	100.0%

Reducing CO₂ Emissions from Deliveries

Seven & i Holdings is asking its partners who deliver products to stores to cooperate with efforts to introduce eco-friendly vehicles, improve fuel efficiency, and reduce store delivery frequencies. Furthermore, progress is also being made in fitting trucks with drive-data terminals that record driving status. Data collected from the terminals is used to provide driver instruction and eco-driving seminars.

CO₂ Emissions by Delivery Trucks



*1 The values include CO₂ emission from distribution center operations.
 *2 The values are from Denny's only.

Introduction of Eco-Friendly Vehicles

For its delivery vehicles that convey products to stores, Seven-Eleven Japan is introducing clean diesel engines, compressed natural gas (CNG), hybrid vehicles, and EV trucks and hydrogen-powered fuel cell trucks that do not emit CO₂, with the goal of reducing CO₂ emissions to achieve a decarbonized society. Of the total of 6,169 delivery vehicles, 4,860 are environmentally friendly vehicles (as of the end of February 2023).

Since March 2018, Seven-Eleven Japan has been cooperating with a project being conducted by Ehime Prefecture to encourage the use of biodiesel fuel produced from used frying oil. Seven-Eleven Japan has been refining bio diesel fuel from oil collected from households, fryers in 7-Eleven stores, and production of fried foods at specialized factories in Ehime Prefecture. Seven-Eleven Japan projects that approximately 300,000 liters of bio diesel fuel will be used each year and that emissions from deliveries will be reduced by about 40 ton kg-CO₂ per year.

In March 2018, Seven-Eleven Japan introduced three EV trucks from Mitsubishi Fuso Truck and Bus Corporation, with the scope for introduction of EV trucks currently being further expanded for store deliveries.

Additionally, in April 2019, it introduced two light fuel cell trucks developed by Toyota Motor Corporation. These trucks run on a fuel cell (FC unit) that uses hydrogen to generate electricity, has a maximum loading capacity of three tons, a cruising range of approximately 200 kilometers, and does not emit environmentally hazardous substances during operation. Also, the electricity generated by the FC unit is used to power the refrigeration unit. As of 2023, three small fuel cell trucks are in operation in Tokyo and Fukushima Prefecture.



Delivery vehicle which runs on biodiesel fuel



Small fuel cell truck



EV truck

In February 2023, York-Benimaru commenced deliveries to its stores utilizing “small hydrogen fuel cell trucks.” Going forward, retail, logistics, infrastructure, and vehicle manufacturers will actively work together on managing operations for hydrogen fuel cell trucks and on building energy management systems (creation of optimum hydrogen station operations). As of the end of February 2023, two vehicles were in operation in Koriyama City.



Small hydrogen fuel cell truck

Promoting Introduction of Eco-Friendly Tires

Seven-Eleven Japan is promoting the introduction of eco-friendly tires with low rolling resistance for delivery vehicles. As of the end of February 2023, it has installed eco-friendly tires on 6,107 delivery vehicles, representing approximately 99% of the total fleet.

Moreover, Seven-Eleven Japan has also introduced retread tires. These tires are made from tires that have finished their service life, by removing a certain amount of the rubber surface that makes contact with the road and applying new rubber and tread. In this way, they can be re-used as rear tires for delivery vehicles. Seven-Eleven Japan will promote the use of retread tires to contribute to resource conservation and waste reduction by reusing them.



Retread tires

Introduction of Energy-Saving Equipment at Distribution Centers

Seven-Eleven Japan is promoting efforts to reduce wasteful power usage at its distribution centers by introducing "demand controllers" that monitor the electricity usage of each unit of equipment and apply controls to the equipment in use to ensure that the usage does not exceed a certain range at 65 of 164 distribution centers (as of the end of February 2023).

Participation in Initiatives and Collaboration with External Organizations

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

Collaboration and joint research :

Name	Status of Participation	Remarks
Japan Business Federation	Member (LINK: Japanese)	We support the “Challenge Zero” initiative toward carbon neutrality by 2050.
Task Force on Climate-related Financial Disclosures (TCFD) Consortium	Member (LINK)	We have expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In addition, we are committed to our participation in the TCFD Consortium, which was established to promote joint initiatives by Japanese companies and financial institutions that support the recommendations of the TCFD. We are considering ways to improve information disclosure and engage in dialogue with stakeholders.
RE100	Member (LINK: Japanese)	In order to meet the CO ₂ emission reduction target which constitutes one of the key themes of our environmental declaration “GREEN CHALLENGE 2050”, we are participating in RE100, an international initiative that aims to use 100% renewable energy for the electricity used in our business activities.
Japan Climate Initiative: JCI	Member (LINK)	We are committed to supporting and participating in the goals of this initiative, “joining the front line of the global push for decarbonization from Japan.” In 2021, we endorsed the following policy recommendations. <ul style="list-style-type: none"> · Ambitious 2030 Target to realize the Paris Agreement in Japan (April 2021) <Support of JCI Policy Recommendations> <ul style="list-style-type: none"> · Ambitious 2030 Target to realize the Paris Agreement in Japan (April 2021) (in Japanese) · Renewable energy power target to 40-50% in FY2030 (January 2021) (in Japanese)
Japan Climate Leaders Partnership (JCLP)	Member (LINK)	We agree with and support the idea that industry should have a healthy sense of crisis and start taking proactive initiatives in order to realize a sustainable decarbonized society, In April 2021, we endorsed the following policy recommendations. <Support for JCLP policy > <ul style="list-style-type: none"> · JCLP welcomes Japan’s new 2030 GHG Emissions Reduction Target (April 2021)
Japan Clean Ocean Material Alliance (CLOMA)	Member (LINK)	We have set targets for countermeasures to plastic in our environmental declaration "GREEN CHALLENGE 2050," and our participation is grounded in our conviction that it is necessary to promote joint public-private initiatives toward the resolution of the issue of marine plastics.

<p>Japan Hydrogen Association (JH2A)</p>	<p>Member (LINK: Japanese)</p>	<p>The purpose of the association's activities is aligned with the initiatives to reduce CO₂ emissions in the environmental declaration "GREEN CHALLENGE 2050," and our participation in the project is based on our commitment to study the use of hydrogen to build a decarbonized society.</p>
<p>Kyoto Beyond SDGs consortiums, Kyoto University</p>	<p>Member (LINK: Japanese)</p>	<p>We are committed to participation in the consortium's initiatives toward resource recycling, energy conservation, and energy creation, as well as initiatives aimed at implementing the SDGs in local communities. Our participation is grounded in our conviction that the initiatives are aligned with the society we are aiming for and can contribute to the creation of an SDGs community in Kyoto City.</p>
<p>Sustainable Future Society Creation Platform, Tokyo University</p>	<p>Member (LINK: Japanese)</p>	<p>This platform pursues the creation of a sustainable society mainly from the perspective of energy systems. The platform contributes to the reduction of CO₂ emissions and the construction of a sustainable society, which is the goal of the environmental declaration "GREEN CHALLENGE 2050."</p>