Overseas Initiatives

Business Operations in North America

Seven & i Holdings operates convenience stores in North America.



7-Eleven, Inc. > Net sales: ¥10,442,360 million (Total store sales) Number of stores: 13,167



SEVEN-ELEVEN HAWAII, INC. > Net sales: ¥54,583 million Number of stores: 65

- * Exchange rate USD1 = ¥131.62
- * Net sales and number of stores as of December 31, 2022

Initiatives in China

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

Convenience Store Business >



SEVEN-ELEVEN (BEIJING)

Net sales: ¥18,128 million Number of stores: 317 Established: January 2004



SEVEN-ELEVEN (TIANJIN) Net sales: ¥3,155 million Number of stores: 209 Established: November 2012



SEVEN-ELEVEN (CHENGDU)

Net sales: ¥3,090 million Number of stores: 85 Established: December 2010

Superstore Business >



Chengdu Ito-Yokado Co., Ltd.

Net sales: ¥25,153 million Number of stores: 10 Established: December 1996



Hua Tang Yokado Commercial Co., Ltd. Net sales: ¥2,697 million Number of stores: 1 Established: September 1997

- * Exchange rate of CNY1 = ¥19.50
- * Net sales does not include value added tax
- * Net sales and number of stores as of December 31, 2022

7-Eleven, Inc.

7-Eleven, Inc. (SEI) is more than a convenience store. Our family of brands embodies the qualities of good neighbors — accessible, supportive, reliable and welcoming to all. Our people are dedicated to giving customers what they want, when, where and how they want it … and making their day just a little more awesome along the way. We're making connections that bring neighbors together and empower communities to thrive. For us, creating a sustainable future together is about ensuring that today's convenience leads to a better world tomorrow.

We start by making it easier for employees, Franchisees, suppliers, service providers, business partners and customers to do good. Because doing good should be convenient, as well as rewarding. By strengthening communities, protecting the Earth and encouraging responsible consumption, we're doing our part to create a sustainable future for generations to come. It takes each and every one of us, each and every day, to make it happen.

Reducing Environmental Impact

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

[Environmental Goal]

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



Collaboration with External Organizations

To enhance our role as a positive steward of the environment, SEI is a member of the Retail Industry Leaders Association's Retail Sustainability Initiative (RSI). RSI is an industrywide educational forum for the largest U.S. retailers. It brings its members together to share leading practices, identify future trends, benchmark with peers, and collaborate on common industry environmental social governance challenges. Beginning in 2021, SEI joined the Clean Energy Buyers Alliance (CEBA). CEBA is a membership association bringing together over 200 stakeholders from the commercial and industrial sector, nonprofit organizations, and energy and energy-service providers. Their vision and mission is to create a resilient, zero-carbon energy system where every organization has a viable, expedient, and cost-effective pathway to renewable energy.

Promoting Energy Conservation and Reducing CO₂e Emissions

SEI is committed to reducing energy consumption and improving efficiency and set a goal to reduce energy related CO_2e emissions from stores by 50% by 2030, compared with FY2013 levels.

In FY2022, through its emission reduction measures, SEI reduced its CO_2e emissions by 151,000 MTCO₂e year over year from FY2021 and by 526,300 MTCO₂e from FY2013. SEI reduced CO_2e emissions by 38% from FY2013 to FY2022. This is equivalent to greenhouse gas emissions from approximately 117,000 passenger vehicles for one year.

Use of Low Global Warming Potential Refrigerant

SEI has adopted Honeywell Solstice N40 (R-448A) refrigerant as SEI's standard for remote condensers supporting their refrigeration cases installed across the U.S. and Canada. Solstice N40 is the most widely accepted, lowest global warming potential (GWP), nonflammable replacement for R-404A in stores globally. Based on hydrofluoroolefin (HFO) technology, Solstice N40 offers GWP that is approximately 60% lower than legacy HFC refrigerants like R-404A. In addition, Solstice N40 also consumes less energy. In the U.S. and European supermarket trials, in comparison to R-404A, Solstice N40 demonstrated an average of 5% lower energy consumption in low-temperature applications.

LED Lighting

SEI's LED lighting program is part of the company's energy-efficient store design standard and is a significant contributor to the company's CO₂ reduction goal. As of the end of December, 2022, approximately 8,000 stores featured LED lighting, helping to reduce energy consumption in stores. In addition to their energy-efficient benefits, LED lights eliminate the use of hazardous materials, comply with local regulations to reduce light pollution, support store safety measures and enhance the customer shopping experience.

Heating Ventilation and Air Conditioning(HVAC)

Heating and cooling efficiency is another effective measure SEI implements to decrease its overall energy consumption. Since 2008, more than 11,400 high efficiency HVAC units have been installed, enabling stores to achieve energy savings while maintaining a quality shopping environment.

Energy Management Systems (EMS)

SEI implemented energy management systems (EMS) in stores to monitor, control, and optimize performance of HVAC and refrigeration equipment. As of the end of December, 2022, more than 7,100 stores have EMS installed — combining with the installation of energy-efficient HVAC units contributes to achieving energy savings. To reduce water consumption, we're installing low-flow aerator faucets as part of our standard energy-efficient design plan for all new stores.

Expanding Renewable Energy

While maintaining the company's commitment to energy conservation projects, SEI is also focused on expanding its renewable energy initiative. Approximately 26% of electricity consumed by SEI is from renewable sources.

SEI has an agreement with TXU Energy to purchase 100 percent Texas wind energy for all its Texas stores located in competitive energy markets. With more than 10,000 wind turbines in the state, Texas ranks first in the United States for

both installed and under-construction wind capacity and is home to four of the top 10 largest wind farms in the nation. In FY2022, SEI purchased more than 334,000 MWh renewable energy from TXU Energy and provided it to more than 900 stores in Texas. This wind energy program accounted for an estimated 40% of all 2022 renewable energy while providing significant operating expense savings.

Since FY2020 SEI has subscribed to a program to procure renewable energy for its Florida stores by utilizing large-sized solar power generation facilities developed, or currently under development, by two utility companies. (Florida Power and Light and Duke Energy). The FY2022 solar energy from these agreements yielded approximately 84,600 MWh or 10% of all renewable energy consumed by SEI.

In FY2021 SEI entered into agreements for over 60,000 MWh of off-site wind energy in Illinois as well as community solar projects in Oregon which are expected to provide an additional 2,500 MWh of renewable energy once fully operational. In FY2022 the Illinois and Oregon agreements contributed approximately 63,000 MWh and 500 MWh of renewable energy, respectively.

In 2022, SEI announced a 20-year clean energy commitment in Michigan through Detroit based DTE Energy's innovative MIGreenPower program, which allows the company to purchase renewable energy to support our operations. The shared goal is to achieve 100% clean energy for all 160 of the southeast Michigan locations, in an effort to avoid more than 15,000 tons of carbon dioxide emissions annually. That's equivalented to removing 3,000 gas-powered cars from the road each year. MIGreenPower customers have enrolled 2.8 MWh of clean energy in the program so far, making it one of the largest voluntary renewable energy programs in the country. This agreement is a great example of how 7-Eleven is working with both the private and public sectors to reduce its carbon footprint.

Additionally, in FY2022 SEI subscribed to a program for over 37,000 MWh annually for off-site wind and solar energy in Nevada, which delivered an estimated 19,500 MWh of renewable energy in 2022.



Wind turbines in Texas



Large-sized solar power generation facility in Florida



Red Prairie Community Solar project in Oregon

What is Community Solar?

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

Procuring Renewable Energy from a Pumped Hydro Storage Facility

In FY2020, SEI began procuring renewable energy from a pumped hydro storage facility for its stores in Virginia. The amount purchased in FY2022 was 30,894 MWh and powered the load for more than 140 stores.

Electric Vehicle Charging Stations

SEI has always innovated to make things easier for customers, and that includes giving customers alternative fuel options. In 2022, the 7Charge electric vehicle charging network was introduced. We are establishing a business to make EV stations profitable, and we will continue our efforts to expand our EV charging portfolio at the rate of electric vehicle growth in the United States, including partnerships with outside companies. As of FY2022 year-end, 75 ports have been installed in 30 stores in 7 states.



Electric-vehicle (EV) charging stations

Conserving a Natural Resource

SEI understands that efficient use of water helps reduce the demands on our water supply and preserve an essential natural resource. To reduce water consumption, SEI utilizes low-flow aerator faucets as part of our standard energy-efficient design plan for all new stores.

Environmental Data Associated with Store Operations

	FY2020	FY2021 ^{*4}	FY2022 ^{*4}
Number of stores within scope ^{*1}	9,387	13,043	12,811
GHG emissions ^{*2} (market-based) (1,000 t-CO _{2e})	759	1,002	851
CO_2 emissions ^{*2,3} (market-based) (1,000 t-CO ₂)	755	997	848
Electricity consumption ^{*2} (GWh)	2,306	3,213	3,186
Water usage ^{*2} (1,000 m ³)	10,637	10,544	15,480

*1 Number of stores covered within scope of CO₂ verification (excluding stores operated by domestic licensees of 7-Eleven, Inc.)

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

*3 Verified by a third party

*4 Includes Speedway stores

Eco-friendly Packaging

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









[Packaging Goal]

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

Through its proprietary products, SEI seeks to offer premium products at a value while switching to more environmentally friendly packaging. These packaging solutions include using materials that are made from renewable or recycled content or are compostable or recyclable. Materials include post-consumer or post-industrial recycled or plant-based content. Whenever possible, SEI reduces packaging without compromising product quality or safety.

Key Initiatives

Innovating with Plant-Based Plastic

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



Poly-lactic acid (PLA) straws

Reducing Virgin-Plastic in Bags

SEI's plastic bag made from 40% post-consumer recycled plastic was recently rolled out nationally in the U.S. Using 40% recycled plastic content helps reduce SEI's environmental footprint by reducing the consumption of raw materials, energy consumption and carbon emissions in processing, and the amount of consumer waste and plastic going into landfills. By switching to the 40% recycled plastic bag, SEI avoided approximately 500 tons of virgin plastic use per year.

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



A plastic bag using 40% recycled plastic

Increasing Post-Consumer Recycled Content

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

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



Sandwich packaging (Canada)

Eliminating Plastic

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



New lighter-weight fountain cups

Reducing Packaging Materials

SEI switched its hot dog box from kraft paperboard to thermo-mechanical pulp (TMP) board to reduce the volume of paper used. TMP-based paper can be produced using only 50% of the wood content of traditional kraft pulp paper. SEI replaced large plastic chicken wing box with paper corrugate alternative, eliminating up to 437,000 pounds of plastic annually. The new paper alternative is certified by the Sustainable Forestry Initiative. In Canada, multiple food packaging replacements (hot dog, pizza, chicken burger & cookie boxes) have prevented more than 8 million hard-to-recycle black plastic boxes from the waste stream each year.



TMP-based paper package

Redesigning bottles for the popular 7-Select Replenish® energy drink allows for more effective packaging that means 40 cases per pallet (rather than 30) for 7-Eleven, and will result in a 25% reduction in the number of trucks for the company to keep stores supplied (2,264 vs 3,019) or 755 fewer trucks. There also will be less plastic used in both bottle and wrap, projecting an annual waste reduction of 208 tons.



Redesigned bottle for 7-Select Replenish®

Removing Harmful Materials

Perfluoroalkyl and polyfluoroalkyl substances (PFAS) are fluorine coatings applied to packaging surfaces to prevent moisture or grease from leaking through and are now considered harmful to the environment. SEI proactively began replacing affected packaging with alternatives like molded fiber clamshells. Since 1927, SEI has been dedicated to making life more convenient for our customers. Today, we continue to lead through service, no matter how big the challenge.



Community Programs

In addition to our signature programs, SEI continued to expand its commitment to thriving communities through a variety of volunteer initiatives, charitable donations and in-store fundraising campaigns to support disaster relief and other humanitarian efforts.

Helping Children

Since 1991, Speedway — a part of the 7-Eleven family of brands — has partnered with Children's Miracle Network Hospitals® (CMN Hospitals) to raise more than \$170 million for local children's hospitals. Now, in partnership with SEI, CMN Hospitals has the opportunity to dramatically expand its reach in raising funds to support even more children's hospitals than ever before.

In 2022 alone, thanks to the generosity of store customers, employees, Franchisees and vendors, the company raised more than \$19 million to support 105 local member children's hospitals across the country. A total of \$16 million in funds raised by 7-Eleven in 2022 were via a year-round in-store fundraising campaign at participating Speedway® stores, which was later expanded during the holiday season to include participating 7-Eleven® and Stripes® stores. The annual Miracle Tournament and Celebration Dinner, held in Enon, Ohio, generated an additional \$3 million. These funds will help advance pediatric healthcare by providing critical lifesaving equipment and much-needed resources to treat children throughout the communities we serve.



Fighting Hunger: 7Cares Thanks + Giving brightens holiday for hungry families

Ahead of the holiday season, we hosted the first annual 7Cares Thanks + Giving event in November 2022, benefiting Minnie's Food Pantry in North Texas and Second Harvest Food Bank in Central Ohio. Along with support from our Irving and Enon Store Support Center employees — who generously assembled 1,120 food boxes, donated 1,500 lbs. of food, and contributed more than \$1,700 — the 7-Eleven Cares Foundation provided 3,250 turkeys for hungry families.





SEI Canada Community Support

Through a bevy of local fundraising programs such as the custom KYSA (Kamloops Youth Soccer Association) Slurpee® Cup and campaigns in support of United Way Calgary, YMCA Calgary, Calgary Food Bank, Alberta Cancer Foundation, the Canadian Red Cross and the Boys and Girls Club of Peel, the Canadian team contributed more than \$525,000 in 2022 thanks to the generosity of customers and business partners.



Supporting Communities During Disaster Relief: Teaming up with the American Red Cross to help people at home and abroad

In association with the American Red Cross, the 7-Eleven family of brands launched two powerful campaigns in 2022 to benefit those impacted by the war in Ukraine and Hurricane Ian. The campaigns included round-up opportunities for customers at 7-Eleven® and Stripes® stores and a dedicated website for contributions by store associates, Franchisees and employees, as well as matching funds from the 7-Eleven Cares Foundation. \$1.2M was raised to support relief efforts, lifesaving aid and other critical resources for the Ukrainian people \$250,000 was raised to provide food, shelter and comfort for those impacted by Hurricane Ian.



Developing Youth Through Education

For a decade, SEI's Project A-Game has funded a variety of youth development programs across America in the areas of education, fitness, safety and hunger relief. In that time, SEI and Franchisees have awarded more than 5,000 community grants totaling \$3.5 million. These grants help fund everything from math and science projects to school and computer supplies, from sports teams and equipment to after-school and youth safety programs. In short, whatever might benefit kids and families within a store's neighborhood. In 2022, Project A-Game was responsible for funding 268 grants totaling nearly \$324,000. No doubt about it — Project A-Game is a driving force in helping the company nurture and deepen community relationships.





Encouraging Positive Behavior and Foster Community Connections: Operation Chill®— Rewarding cool kids for being cool!

Completely revamped in 2021 for a new digital generation, the 27-year-old Operation Chill® program makes it easier than ever for law enforcement to establish and build positive, lasting and authentic relationships with youth in their neighborhoods. The concept is simple: officers observe a kid doing a nice thing — wearing a helmet while riding a bike, picking up litter, helping a neighbor or holding a door open — and then reward that behavior with a friendly smile and a coupon for a free small Slurpee® drink at any participating U.S. 7-Eleven or Stripes® store. In 2022, kids across America redeemed more than 175,000 free Slurpee® drink coupons from more than 1,300 local law enforcement agencies. Since the program's 1995 debut, SEI has distributed 24 million coupons to help foster community connections one Slurpee® drink at a time.





Helping Veterans: UCLA Operation Mend

SEI helps veterans find peace and healing through UCLA Operation Mend. We're proud to support Operation Mend, an innovative program established by the U.S. military and UCLA Medical Center that provides comprehensive, personalized care and wellness programs for wounded post 9/11-era veterans and their family members. Daniel Soper, a retired SEI executive, introduced the company to Operation Mend when his son, Army Specialist Joseph (Joey) Paulk, participated in the program after sustaining life-altering injuries while serving in Afghanistan. The company's four-year, \$400,000 grant to Operation Mend is just one of the many ways SEI continues to show its gratitude to our service men and women and their families who have given so much for our country.



Angel Tree

The holiday season in 2022, SEI employees at the Enon Store Support Center, OH, provided gifts for 350 children through the Salvation Army Angel Tree Program. Teams donated toys, bikes and clothing and made financial contributions to provide more than \$40,000 of gifts to the children of Clark County. In addition, a group of employees volunteered at the Salvation Army Toy Shop to help build, sort and match donated toys to ensure that all 3,000 children participating in the program would receive a gift.





Our Commitment to a Diversity and Inclusion (DE+I)

7-Eleven is the world's largest convenience retailer and an integral part of the incredibly diverse neighborhoods we serve. Our business model is based on the empowerment and success of small business entrepreneurs regardless of race, gender or background. To ensure an inclusive customer experience and workplace, we encourage Franchisees and 7-Eleven employees to bring their unique perspectives, talents and contributions to work every day. We strive for equality and are committed to doing even more — because we know it's the only way we can continue to grow and innovate, both as a brand and as a society.

Our DE+I Strategy Consists of Three Guiding Principles:

Foster an inclusive workplace	Cultivate diverse talent by creating	Positively impact the marketplace
culture that celebrates diversity	new opportunities to attract,	by supporting organizations and
and promotes equality, respect and	develop, and retain the best people	community partners that share our
belonging.	regardless of race, gender,	values and beliefs.
	ethnicity or background.	

As a global brand operating in a global marketplace, we have an obligation to lead the way. By embracing and advancing our ideals through this framework, we strive to enrich our work environment and the neighborhoods we serve.

Working together, we are making progress on our DE+I journey with notable highlights including:

- The profound legacy of Dr. Martin Luther King, Jr., lives on in all of us at the 7-Eleven family of brands and in the wonderfully diverse communities we call home. In celebration of January's MLK Day holiday, we asked a few employees to share what inspires them as they reflect on Dr. King's enduring vision.

- Every February, we recognize Black History Month, a national celebration of the history and achievements of Black Americans. As part of the company-wide celebration, we sat down with Dr. Harry Robinson, Founding Director and Chief Executive Officer of the Dallas African American Museum, for a thoughtful conversation about Black history and culture, his remarkable journey, and a personal tour of some of his favorite pieces within the museum.

- As part of our Women's History Month celebration in March, we hosted Susan Mackenty Brady, CEO of the Simmons University Institute for Inclusive Leadership, as our guest speaker. Brady, a renowned relationship expert and leadership wellbeing coach, led us through an inspiring discussion focused on empowering women to move beyond just surviving — to thriving — in their professional careers.

- To honor Military Appreciation Month in May, the company hosted a Rolling Remembrance Flag Ceremony to raise awareness for the Children of Fallen Patriots Foundation, which provides scholarships to military children who have lost a parent in the line of duty. The event was held at the company's Store Support Center in Enon, Ohio and served as one of 53 stops the flag made on its 10,000-mile-long relay across the country, culminating on Memorial Day.

- To celebrate Pride Month in June, we featured The Trevor Project's Troy Stevenson, senior campaign manager for advocacy and government affairs, in a virtual fireside chat in which he shared his insights and experience as a leading LGBTQ+ advocate. We're proud to share The Trevor Project's dedication to creating a safe, welcoming world for LGBTQ+ youth.

- During the latter half of September and first half of October, we recognized Hispanic Heritage Month, celebrating Hispanic and Latino American communities, including those with ancestry from Spain, Mexico, the Caribbean, and Central and South America. This year's theme was Unidos: Inclusivity for a Stronger Nation, and we spotlighted five employees who shared their thoughts on how their heritage shaped their journeys. - Also related to Hispanic Heritage Month, the Franchise Recruiting and Marketing team once again ran a digital campaign, "Juntos, We Rise," recognizing the importance of the Hispanic community within franchising and the support 7-Eleven provides Franchisees to be successful and empowered in their communities.

- December saw the launch of our newest Associate Business Resource Group, or ABRG — 7Pride — created as a highly visible and accessible resource for LGBTQ+ employees and their allies. Like all ABRGs, 7Pride membership is open to all employees. The goal: build a supportive, affirming and inclusive workplace for LGBTQ+ employees and their allies, positively impacting and promoting a greater sense of belonging for employees. In FY2022, SEI deployed a national DE&I mandatory training for all leaders across the organization.

7Pride's foundational pillars focus on:

- 1. Ally empowerment and education
- 2. Community engagement and outreach
- 3. Professional networking and development





Full-time employees	49,432	
Male	21,381	
Female	28,051	
Part-time staff	26,597	
Male	12,535	
Female	14,062	
Percentage of women in management positions, excluding executive officers	34.3%	

Providing opportunities for innovative and sustainable new brands

The four-year-old Brands with Heart program continues to grow by encouraging emerging brands to showcase their products to 7-Eleven®, Speedway® and Stripes® stores customers nationwide. The goal — put innovative products on the shelves that meet the needs of on-the-go customers with a variety of snacks, beverages, confectionery and better-for-you items. The Brands with Heart showcase attracts hundreds of applicants from up-and-coming brands each year and gives us the unique opportunity to scope out new products that might make the perfect addition to our stores' shelves. One of the finalists chosen to present at the 2022 event is Mananalu, a carbon-neutral company whose mission is to help end the single-use plastic waste crisis through its "Drink One, Remove One" impact program. For every aluminum bottle of Mananalu purified water sold, the company removes the equivalent of one plastic bottle from ocean-going waste.



SEVEN-ELEVEN HAWAII, INC.

In March 2016, SEVEN-ELEVEN HAWAII, INC. (SEH) added "Our Promise" to its set of company values in order to support its direction as a chain of "close-by, convenient stores," to shape its corporate culture, and to further solidify its values.

"Our Promise" is comprised of the following three specific values.

- (1) Bring a smile to the faces of customers, vendor partners, and employees
- (2) Work together as a team to achieve goals
- (3) Strive for greater heights

These values define SEH as a business for the community, for partners and for employees. The practice of Our Promise then becomes the cornerstone for the words and actions of employees. To promote "Our Promise," the company started a program for recognizing exceptional employees. First, all employees are encouraged to nominate people they think are practicing the three values. Then, the selected people are given a badge and a bonus and are announced on an employeeonly Facebook page.



Thriving with Local Communities

As a good corporate citizen, SEH supports activities and NPOs involved with children, education, public welfare, and health. In FY 2022, the equivalent of approximately \$143,430 in support was provided to 37 organizations through fundraising, material support, and volunteer activities on the part of SEH customers, stores, employees, and the company.



Amount of cash donations by SEVEN-ELEVEN HAWAII (FY2022)

Supporting NPOs through Storefront Donations

SEH has been collecting storefront donations from customers to support various NPOs that contribute to the local community since it began operations. Each month, SEH researches Hawaii-based organizations that are active in fields such as health, safety, and education. In 2022, SEH committed to supporting its Your Neighborhood Store mission by selecting organizations from not only Oahu, but Kauai, Maui, and Hawaii Island. In FY2022, approximately \$71,000 was donated.

Walking for a Cause

After a break of several years due to the COVID-19 pandemic, SEH employees enthusiastically reunited to participate in the Step Out Walk at Kapiolani Park in April of 2022. This event reaffirms SEH's dedication to supporting the American Diabetes Association's mission to prevent and cure diabetes and improve the lives of those affected by the disease.

Individuals from both Store Support Center (SSC) and store teams were encouraged to invite their families to the event filled with walking, games, and food. The reunion at Kapiolani Park provided an opportunity for SEH employees to actively contribute to the fight against diabetes and re-connect with their fellow colleagues.



Supporting Hawaii's Children during International Day of Charity

In celebration International Day of Charity on September 5, 2022, SEH announced that it would match all customer contributions made throughout the month of September to the designated monthly donation canister recipient. The chosen beneficiary was The Hawaii Children's Cancer Foundation, a local organization dedicated to supporting children battling cancer. This initiative aimed to raise awareness and provide essential financial assistance during Childhood Cancer Awareness Month.

The Hawaii Children's Cancer Foundation (HCCF) has been a beacon of hope for children and their families affected by cancer for over 30 years. HCCF provides vital resources, including financial assistance for medical expenses, emotional support, and education programs to enhance the quality of life for children battling cancer.

The announcement of SEH's pledge came through social media and in-store digital POS. After the collections were matched, the total amounted to over \$13,000.





Celebrating Bike Month for a Healthier Hawaii

In July, SEH partnered with Oahu's largest bikeshare organization, Biki, to promote biking as a healthy and eco-friendly transportation alternative throughout Bike Month. Biki has over 1,300 bikes at over 130 conveniently located self-service "Biki Stops," enabling residents to utilize biking without having to own one.

Biki kicked off the Bike Month festivities by hosting an "Energizer Station" on July 5, 2022 along a bike path in Honolulu where cyclists could stop for a free snack sponsored by SEH. In feedback received from bikers, they were thankful for the banana, energy bar, and graphic tote provided by SEH as an unexpected surprise that made their commute much more enjoyable.

On July 11, 2022, SEH celebrated in a big way by presenting Hawaii's first FREE Ride Day with Biki. All day long, bikers could use code '711' at any Biki kiosk to redeem a free 30-minute ride. To celebrate the inaugural event, Biki and SEH hosted a joint outreach event at Ala Moana Beach Park to give away logo items, refreshments, and to educate the public about the benefits of biking. It is estimated that SEH powered 3,000 free rides that day.



Biki Energizer Station Providing Refreshments to Bikers



SEH outreach tent on FREE Ride Day at Ala Moana Beach Park

Helping Hawaii's Families Celebrate a Bright Holiday Season

SEH partnered with non-profit Keiki O Ka 'Aina in December 2022 to support their mission to educate children, strengthen families, enrich communities, and perpetuate the Hawaiian culture by empowering Hawaii's families to undertake leadership roles in their communities. At the heart of all the enrichment practices is the Hawaiian language, tradition, and values.

Keiki O Ka 'Aina hosts a major "adopt-a-family" campaign each holiday season, where generous community members can anonymously gift necessities to a family in need. To support this campaign, SEH made a donation of \$40,000 and sponsored a "Winter Wonderland" at Windward Shopping Center to support the cause on December 3, 2022.

In addition, Store Support Center (SSC) members participated in the "adopt-a-family" initiative and collectively donated approximately \$1,500 in retail value of supplies and other essentials to help a worthy family. As a result of these combined efforts, SEH was recognized as the largest single donor to Keiki o Ka Aina on the local television station KHON2 during the evening news in December.



SSC Members band together to donate toys, supplies, and necessities to underprivileged families. Pictured are SEH representatives dropping off the gifts at Keiki o Ka Aina's Kalihi facility.



Debbie Lee Soon, Food Innovation & Development Manager, represents SEH to judge a "Gingerbread Warrior" Competition at Keiki o Ka Aina's Winter Wonderland Festival on December 3, 2022



SEH Awards \$40,000 to Keiki o Ka Aina in December of 2022.

Diversity & Inclusion

Hawaii is a region which is especially diverse in language, culture, education, age, and other factors. People across several generations have continued to accept mutual differences, appreciate each other, and share their stories. As a result, the culture of the Hawaii state was born with many unique things such as food, language, and festivals. Diversity and inclusion are established in SEH's culture and lives in all relationships whether in public spaces or at the workplace.





Reducing Environmental Impact



Plastic Countermeasures

Plastic reduction efforts remain at the forefront for SEH in 2022. The goal this year was to reduce plastic packaging for SEH's private brand snacks and candy by 25%. With the assistance of our vendors, we completed this project in December 2022. This initiative resulted in an annual reduction of 180 pounds of plastic and approximately 247 CO2e (kg).



[Examples of other Initiatives]

Not including spoons, forks, and other utensils with boxed lunches, but handing them to those who need them at the cash register

Eliminating disposable plastic bags

Introduce shrink wrapping* and minimize the wrapping of fresh produce

679

139

540

293

80

213

0.21%

63.0%

Implement a "Bring your own cup" program to encourage customers to bring their own cups

Hot Beverage plastic lids replaced with polylactic acid (PLA) based lids

Hot Beverage plastic stir sticks are now made of wood

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

Number of SEH Stores and Environmental Data Associated with Store Operations

	FY2019	FY2020	FY2021	FY2022	FY2023 target
Number of stores	66	65	65	65	67
Electricity consumption (MWh)	18,849	18,099	18,156	17,950	18,502
Water consumption (thousand m ³)	50	51	55	55	56

Major Awards and Recognition in FY2022

Recognition or Award Name	Award Sponsor	Reason
Best of Honolulu #1 for Convenience Store, #1 for Musubi	HONOLULU Magazine	As voted by readers of HONOLULU Magazine
Best of Hawaii #1 for Convenience Store, #1 for Musubi	KITV	As voted on by viewers of KITV4 and KIKU
Hawaii's Best #1 for Bento, #1 for Musubi	Star Advertiser	As voted on by readers of Star Advertiser



Providing Safe and Reliable Products

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



Product Quality Management

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

• Introduction of Quality Management System

Factories that manufacture only private brand products are strengthening quality control by adopting international systems for food safety management and measures taken at Japanese factories. SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (TIANJIN) manufacturing factories, Beijing Wang-Yang Foods and JEANAVICE Factories, obtained "SC" food production license for chilled food in January 2017, earlier than their peers. SC is a Chinese law regarding food production that must be obtained by October 2018, switching from the previous "QS" food quality and safety license. In addition, Q's Café Factory and Beijing Want-Yang Foods obtained HACCP*¹ certification in March 2017 and March 2018, respectively. Beijing Want-Yang Foods began conducting ATP wipe inspections in November 2021, and is working to manufacture safer and more secure products. In October 2021, additional pillow wrapping machines were introduced, and burgers and rolls that were previously manufactured by hand are now being converted to pillow wrapping. Moreover, the JEANAVICE Factory acquired ISO 22000 (food safety management systems) in March 2022.

SEVEN-ELEVEN (CHENGDU) also asks its suppliers to comply with its own standards, which are stricter than domestic laws and regulations, and also holds regular quality control workshops for store employees to ensure safety and security.

• Automation of Production Processes

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

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

Giving Consideration to Health

Trans-fatty acids, which are said to increase the risk of heart disease, were successfully reduced to zero in the original room-temperature bread products of SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU). In addition, since January 2019, allergens have been displayed for rice balls and sushi, and this is gradually being expanded to boxed lunches, sandwiches, and other daily food products.

SEVEN-ELEVEN (BEIJING) began displaying calories on the surface of packages for sandwiches and salads in the second half of FY2021, and also began releasing room temperature bread from the Zero Sugar series in April 2022. In the future, it plans to launch salads made with plant meat. Furthermore, SEVEN-ELEVEN (TIANJIN) launched lunchboxes such as cereal rice and salads rich in vegetables under the theme of health from the second half of FY2020.

Improving Customer Satisfaction

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) are working to collect customer feedback in order to improve products and services from the standpoint of customers. Feedback obtained from customers is shared with departments and stores on a daily basis. In addition, in order to grasp changes in customer needs and reflect them in products, SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (CHENGDU) conduct periodic customer surveys. Further, SEVEN-ELEVEN (TIANJIN) held a product exhibition in September 2019. At the exhibition, food tasting of new products and questionnaire surveys on future needs and so on were conducted to use for product development.

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) have been conducting training to further improve the customer service provided by employees. In FY2019, SEVEN-ELEVEN (BEIJING) conducted customer service education targeting night-time responsible person at all stores, with local managers as instructors. In the same fiscal year, SEVEN-ELEVEN (TIANJIN) conducted training 10 times, with 72 participants from 41 stores learning about the importance of customer service, dealing with customers at cash registers, and other issues based on actual cases studies. Employees who passed the test were also given "Customer Service Star" badges.

In FY2022, SEVEN-ELEVEN (CHENGDU) conducted training, mainly on the following three topics, to improve customer satisfaction. (1) development of OFCs who can provide prompt counseling; (2) acquisition of fundamental knowledge by employees before new store openings; and (3) raising levels concerning the Four Basic Principles for stores. It also established three new systems so that it can conduct this training continuously. The first is a system for developing OFC candidates in the short period of just nine months, the second is three-stage on-the-job training before new store openings (training at directly managed stores before opening, practical in-store training, and on-site guidance on opening day), and the third is a system for touring stores and checking sales areas by performing evaluations based on the Four Basic Principles. The specific details of sales site confirmation include customer service by employees, active sales promotion, cleanliness, and product management, and a mechanism for providing feedback to operational departments was created. In addition, the TTT (Training the Trainer) sessions held in FY2021 were again held in FY2022 (the frequency was changed to once every three months).

SEVEN-ELEVEN (BEIJING) created customer service awards to recognize employees who provide outstanding customer service. The awards are presented in a group ceremony every three months. We will strive to enhance motivation by presenting awards to recipients at meetings and other such forums in conjunction with striving to increase examples of best practices for employees to follow by making the award-winning activities widely known.



TTT session at SEVEN-ELEVEN (CHENGDU)

Thriving with Local Communities

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) each conducts social contribution activities as members of their local communities.



Environmental Preservation Measures through Storefront Donations

SEVEN-ELEVEN (BEIJING) installed donation boxes in stores and has been collecting money from customers since November 2006. The funds are donated to the Beijing Green Fund, an officially-recognized environmental preservation organization. The Fund uses donations from the public to plant trees as countermeasures against sandstorm damage and desertification, creating tree fences that prevent sand movement in and around Beijing.

Starting FY2018, as an activity in which customers could easily get involved, it began an initiative in which part of the proceeds from customers' coffee purchases were donated to the Beijing Green Fund. In FY2022, 35,570 yuan was donated.

Donation amounts to Beijing Green Fund(Chinese yuan)

FY2020	FY2021	FY2022
49,410	51,231	35,570

Support for Children

Since 2013, SEVEN-ELEVEN (CHENGDU) has continuously provided support for Benevolence House, a home for children with brain disorders. In FY2020, due to the impact of the spread of the new coronavirus infection, two employees volunteered to represent the company and visited Benevolence House to donate household items, etc. In FY2021, as the coronavirus disaster continued, a designated employee represented the company and visited Benevolence House to donate household items, etc. In FY2022, however, the visit to Benevolence House and donation of goods were postponed due to a large-scale mass infection of COVID-19 at the end of the year.

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

FY2020	FY2021	FY2022
1,990	1,891	0

Creating Fulfilling Workplaces

In continuing to expand our network of stores in China, it is essential that we hire and train local employees. SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVEN-ELEVEN (CHENGDU) seek to raise the communication abilities of employees and develop them to be able to think and act by themselves. To this end, the three companies are working to provide various training seminars and create workplaces where employees are able to demonstrate their abilities to the fullest.







Employee-Related Data (FY2022)

	SEVEN-ELEVEN (BEIJING)	SEVEN-ELEVEN (TIANJIN)	SEVEN-ELEVEN (CHENGDU)
Full-time employees (Men/Women)	338 (174/164)	143 (52/91)	121 (39/82)
Part-time staff	229 (91/138)	122 (58/64)	24 (7/17)
Percentage of employees with disabilities	4.92%	3.50%	2.07%

Employee-Related Data (FY2021)

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

Employee-Related Data (FY2020)

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

Support for Enhancing the Abilities of Employees

Operations Field Consultants (OFC) play an important role in connecting the Head Office with franchise store owners. They serve as store management consultants that provide multifaceted advice to franchise stores on overall management, including ordering, product lineups, and employee training. OFC candidates first gain store experience at training stores and learn the fundamentals of store management, which include the Four Basic Principles; unit control; employing, training, assigning and evaluating of staff; and management indicators.

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

In FY2019, SEVEN-ELEVEN (TIANJIN) revised the AFC evaluation criteria and introduced a mechanism for quantitative evaluation. The existing qualitative evaluation was changed with clear standards for each evaluation item such as communication skill and evaluation is carried out using scores. Further, since March 2021, each department at the Head Office has been conducting intensive training every week. In order to enrich OFC's job knowledge, acquisition of knowledge about architecture, finance, products, and operations related to store guidance is ensured. In particular, it educates on how to solve problems and how to respond to franchise store owners who are in special situations. In addition, since the second half of 2020, it has been furthering presentation of issues at store manager meetings. SEVEN-ELEVEN (TIANJIN) aims to improve the ability to analyze, solve, and verify aspects of a problem through presentations on the main theme of unit control. It is promoting education in advance to nurture reliable OFCs who can provide smooth explanations to franchise store owners. Since FY2022, periodic testing of OFCs has been conducted at OFC Conferences. By checking knowledge concerning products, priority products in each product category, solutions for increasing sales, delivery, creation of in-store systems, and other topics, it is possible to determine the overall level of OFCs as well as individual abilities, and the company plan to reinforce education and training based on the test results. In addition, the company has started measures for conducting rigorous training for in-store support systems for OFCs (from methods of use to tips) and to prepare for and implement action plans and verify them in order to enhance the planning abilities of OFCs.

SEVEN-ELEVEN (CHENGDU) started a new training program for store managers in FY2018 to teach skills such as analysis of business figures and computer operations necessary for work. In FY2019, training such as numerical analysis, employment development, and store management was conducted 12 times for 50 store managers. In FY2020, with the decrease in the number of directly managed stores, it shifted the focus of education to the selection of trainees and human resources, introduced the concept of "talent pool," and focused on the development of talented employees with potential, with the aim of fostering highly skilled OFCs.

At weekly meetings of OFCs, company policies are shared and training is conducted to enhance work skills such as communicating effectively with franchise stores. SEVEN-ELEVEN (CHENGDU) conducts training of Head Office employees on corporate structures, laws and approaches regarding operations, business etiquette, PC operation, and other topics.



Training session

Programs to Raise Employee Motivation

Various initiatives are implemented to raise employee motivation and resolve issues they may face in the workplace. For example, SEVEN-ELEVEN (TIANJIN) and SEVEN-ELEVEN (CHENGDU) have instituted internal hiring programs that allow employees to apply for desired positions.SEVEN-ELEVEN (BEIJING) is utilizing employee feedback to improve actual operations by encouraging the institutionalization of probationary and consideration period interviews for new employees, contract renewal interviews, and retirement interviews. In addition, it holds a retirement party to show appreciation for the many years of service to the company and to express the spirit of "valuing employees."

In FY2022, SEVEN-ELEVEN (TIANJIN) started implementation of an "express plan" that enables new store employees to be promoted to AFC within one year to support selection and development of outstanding OFC candidates. This program doesn't simply reduce the promotion period, but ensures that employees can make a 200% effort by having trainers take the time to follow up with employees starting from the initial stage so that employees can acquire business knowledge as well as in-store practical knowledge and experience, providing a high level of motivation to employees who successfully complete the express plan. In FY2022, five employees applied and to passed, of which one is currently working as a store manager. In addition, six trainees also applied to the program, and the five who passed are currently assistant store managers.

Examples of programs for raising employee motivation

- Operate a contact desk so that employees can consult with the company on issues
- Interviews with employees by human resources departments
- Interviews with new employees by supervisors
- Organize employee meetings to promote closer interaction and socialization
- Conduct questionnaires on motivation
- Share role models by giving awards to excellent employees





Retirement party

Fair Evaluation and Remuneration

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVENELEVEN (CHENGDU) have adopted an employee evaluation system that combines monthly interview evaluations and yearly evaluations. Monthly interviews are conducted between employees and their direct supervisors to discuss the rate of progress toward their performance goals. In addition, once each year, after self-assessments are carried out by each employee, interviews and evaluations are then conducted by the direct supervisor and a secondary, higher-level supervisor. Monthly evaluations are based on company, divisional, and individual performance. For managers who conduct evaluation, education is carried out so that they can evaluate subordinates properly and develop human resources.

In order to improve the evaluation system, SEVEN-ELEVEN (BEIJING) worked with external specialists to review the skill items necessary for each job. Moreover, the frequency of interviews was changed from once a year to quarterly, and progress is being periodically checked so that annual performance goals can be achieved. In FY2020, it implemented only annual evaluations and interviews due to the influence of COVID-19. It is conducting interviews focusing on key positions to gain an understanding of the problems faced by our employees, and implementing coordination of operations to meet the demands of the post-corona period. In addition, in FY2021, it conducted annual performance evaluations and interviews, took a questionnaire on career planning in line with the expansion into new areas in Hebei Province, and developed a preliminary plan for new areas in accordance with business needs and individual motivation.

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

SEVEN-ELEVEN (CHENGDU) changed its company structure and evaluation system in FY2019. Starting from FY2020, managers are evaluated and interviewed every quarter, while non-managers are evaluated monthly. Also, the Employee Rules were revised in 2021 to clarify individual career paths and increase the granularity of the personnel evaluation system. In FY2022, KPI and GS (conduct) were added to the individual performance indicators based on the existing performance evaluation system. An annual bonus evaluation system centered on performance was also created by linking company performance with individual performance.

Promoting the Advancement of Women

In China, the labor contract laws have been designed to provide male and female employees with generous leave related to childbirth and childcare. Moreover, men and women are treated equally, and it is common for women to continue working after marriage. This legal system and practice of appointing managers based on ability work together to promote the appointment of women to managerial positions. In 2012, the first Chinese woman director was appointed at SEVEN-ELEVEN (TIANJIN). As of December 31, 2021, women currently occupy approximately half of the nonexecutive managerial positions at SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN) and SEVENELEVEN (CHENGDU). In March 2018, SEVEN-ELEVEN (BEIJING) appointed women in the roles of vice president and director, and SEVEN-ELEVEN (TIANJIN) appointed a woman as director.

Internships

With the aim of hiring outstanding human resources, hiring local personnel, and promoting the education of youth, SEVEN-ELEVEN (TIANJIN) and SEVEN-ELEVEN (CHENGDU) conduct internships and have been recognized by the government as Youth Employment Intern Bases that promote the employment of young people who have graduated from high school. SEVEN-ELEVEN (TIANJIN) accepted 39 interns in FY2021, 4 of whom were employed by SEVEN-ELEVEN (TIANJIN). SEVEN-ELEVEN (CHENGDU) accepted 10 interns in FY2021, 1 of whom was employed by SEVEN-ELEVEN (CHENGDU) in July 2022.

Reducing Environmental Impact

The Chinese government has been putting great emphasis on climate change issues. In Beijing, companies with annual CO₂ emissions in excess of 5,000 tons are subject to upper limits on CO₂ emissions in each industry as major emitters and must purchase emissions credits for the excess portions. In FY2019, SEVEN-ELEVEN (BEIJING), which is subject to this program, saw overall CO₂ emissions increased as a result of an increase in the number of stores and chilled cases, and consequently, it purchased emissions credits for approximately 14,000 tons. However, in FY2020 and FY2021, it did not purchase emission credits because it did not reach the CO₂ emissions cap. SEVEN-ELEVEN (TIANJIN) and SEVEN-ELEVEN (CHENGDU) also reported higher electricity consumption due to an increase in the number of stores, new installations of refrigeration and freezer devices, and so on.



Environment-related Data SEVEN-ELEVEN (BEIJING)

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of stores	266	275	283	304	317
Electricity consumption (MWh)	26,537	29,773	24,251	25,171	20,598
Water Consumption (1,000m ³)	85	94	78	55	47

SEVEN-ELEVEN (TIANJIN)

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of stores	155	178	179	200	209
Electricity consumption (MWh)	14,814	20,051	17,552	17,898	20,440
Water Consumption (1,000 m ³)	42	57	49	50	44

SEVEN-ELEVEN (CHENGDU)

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of stores	77	75	73	84	85
Electricity consumption (MWh)	11,137	9,720	7,631	8,491	8,748
Water Consumption (1,000 m ³)	25	24	24	27	24

Energy Conservation Measures at Stores

SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN), and SEVENELEVEN (CHENGDU) have installed LED illumination as interior lighting in all stores and are implementing other measures to reduce electricity consumption, such as installing curtains in walk-in refrigerators to prevent the outflow of cold air, and conducting education to raise employees' awareness. In addition, all the three companies have changed their fast food warming cases and introduced fast food refrigerated cases to save energy while eliminating opportunity loss and reducing waste loss. SEVEN-ELEVEN (BEIJING) has completed the installation of fast food refrigerated cases in a total of 66 stores by the end of 2021, leading to energy savings of 1,485 kW per day. SEVEN-ELEVEN (CHENGDU) installed fast food refrigerated cases in 85 stores in FY2022, achieving energy savings of approximately 320 kW per day, and starting in the second half of FY2022, it has saved approximately 80 kW of energy per day by turning off one-third of lighting for about seven hours in the evening.

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

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

Environmental Measures at Food Manufacturing Factories

In order to avoid wasting resources, efforts are being made at Beijing Wang-Yang Foods, a food manufacturing factory of SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (TIANJIN), to utilize food loss generated by each factory as feedstock for a pig farm. Similarly, the JEANAVICE Factory has a contract with a fish farm to collect residual bread. Both factories use wastewater treatment facilities that clean water to the same or higher standard than government standards to ensure that polluted water is not discharged, collect waste oil, and conduct periodic investigations of smoke emissions from the perspective of preventing atmospheric pollution.

Furthermore, to save energy, JEANAVICE Factory works to reduce thermal loss from boilers and reduce the consumption of gas.

Message from the Chairperson

Ever since Ito-Yokado (China) Investment Co., Ltd. opened the Chunxi store in the Chinese city of Chengu in 1997, we have aimed as a member of the Seven & i Group to achieve sustained growth under the motto of "Responding to changes and adhering to the basics." In China Ito-Yokado strives to display a spirit of craftsmanship and to supply top-quality products and services that lead to better shopping experiences for every one of our customers.

In 2018, we began a Strategy to Build a New Ito-Yokado. We are actively challenging not only brick-and-mortar stores but also e-commerce business, such as online shopping, and are evolving a business model as a multiplatform and omnichannel retailer that responds to changes in consumption behavior.

When movement was restricted due to the COVID-19 pandemic, we utilized the capabilities of our supply chain to the full, ensuring the products necessary for the daily lives of citizens and fulfilling the retail industry's mission as part and parcel of social infrastructure.

Furthermore, in the Chinese superstore business too, we emphasize the fact that companies and society will grow together. In accordance with the Seven Material Issues common across the Group and our "GREEN CHALLENGE 2050" environmental declaration, we are continuing dialogue with stakeholders, including customers, business partners, shareholders, local communities, and employees, and contributing to the company's sustained growth and the realization of a sustainable society.

Regarding the Sustainable Development Goals, which are a common theme in the world, the Chinese government also is advocating a decarbonization policy of a "30-60 double carbon target" (that is, peak emissions by 2030 and carbon neutrality by 2060). In these circumstances, Ito-Yokado in China also is advocating a "Green Ito-Yokado" and aims to contribute to the realization of a sustainable society. In addition, as well as supplying safe, reliable, and higher quality products and services to customers, we will continue to search for new values in the retail industry as an environment- and society-friendly "green mall," including reducing the use of plastic, curbing food loss, and making charitable donations for local community development.

Going forward, by responding to changes in customer needs, further strengthening our special characteristics as a Japanese enterprise, and promoting the expansion of Japan-China business and trade, we will endeavor to create new daily life scenes, products, and consumption behavior and provide customers with shopping experiences that go beyond their expectations.



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

China Business History

Year	Event
1996	Request to establish superstore received from government of China and Chengdu in Sichuan Province
December 1996	Chengdu Ito-Yokado Co., Ltd. established in Chengdu
September 1997	Hua Tang Yokado Commercial Co., Ltd. established in Beijing
November 1997	Chunxi Store opens in Chengdu
December 2001	Asian Games Village Store opens in Beijing
September 2003	Shuangnan Store opens in Chengdu
December 2007	Jinhua Store opens in Chengdu
November 2009	Jianshe Road Store opens in Chengdu
November 2011	High-tech Store opens in Chengdu
January 2014	Wenjiang Store opens in Chengdu
2014	Then-Chairman Tomohiro Saegusa named an Honorary Citizen of Chengdu, a first for a Japanese manager of a private company
January 2017	Meishan Store opens in Meishan
April 2017	Chengdu Ito-Yokado E-commerce Co., Ltd. established in Chengdu
November 2018	Huafu Avenue Store, food and commodity stores, opens in Chengdu
January 2019	Ito Plaza opens in Chengdu
January 2021	Leshan Store opens in Leshan
November 2021	Tomihiro Saegusa receives the Chinese Government Friendship Award, the highest state-level honor, awarded to overseas experts from the Chinese Government
January 2022	Financial City Store, lifestyle grocery store, opens in Chengdu
February 2022	Chengdu Ito-Yokado Information and Technology Co., Ltd. established in Chengdu

Company Overview

	Chengdu Ito-Yokado	Hua Tang Yokado Commercial
Net Sales	approx. ¥25,153 million	approx. ¥2,697 million
Number of employees	2,553	193
Number of stores	10 stores (Chunxi, Shuangnan, Jinhua, Jianshe Road, High-tech, Wenjiang, Meishan,Huafu Avenue, Ito Plaza, Leshan, Financial City)	1 store (Asian Games Village)
Established	December 1996	September 1997
Chairman	Tsugumi Ko	Tsugumi Ko
President	Kazumi Kunimi	Tatsuya Arai
CSR Promotion	CSR Management Committee	CSR Management Committee
Structure	Corporate Ethics and Culture Subcommittee	Corporate Ethics and Culture Subcommittee
	Consumer Affairs and Quality Control Subcommittee	Consumer Affairs and Quality Control Subcommittee
	Environmental Subcommittee	Environmental Subcommittee

* Fiscal year ending December 31 (number of stores as of December 31, 2022; number of employees as of February 28, 2023)

- * Exchange rate of CNY1 = ¥19.50
- * Net sales does not include value added tax

CSR Initiatives



CSR Promotion Structure

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

Ito-Yokado (China) Investment Co., Ltd. established a CSR Management Committee in the latter half of 2021 and each China operating company has begun building a structure for a cross-sectoral activity system for its China operations in cooperation with the CSR Management Committee. The CSR Management Committee consists of three subcommittees: the Corporate Ethics and Culture Subcommittee, the Environmental Subcommittee, and the Consumer Affairs and Quality Control Subcommittee. The Corporate Ethics and Culture Subcommittee goes back to the starting point of the company's establishment and ensures that employees are fully aware of the company's policies and corporate creed. The Environment Subcommittee promotes energy-saving store operations while working to achieve specific reduction targets for electricity and water conservation. The Consumer Affairs and Quality Control Subcommittee works to provide safe and secure products and services and enhances compliance initiatives, while also delivering improved products and services.

Chengdu Ito-Yokado and Hua Tang Yokado Commercial have begun working together with the CSR Management Committee of Ito-Yokado (China) Investment Co., Ltd. to promote CSR more comprehensively. The CSR Management Committee shares the Seven & i Group Material Issues through online and offline communication meetings, and formulates plans to resolve these issues. The committee is furthermore focusing efforts on expanding the employee training curriculum, which includes hosting of network-based online training sessions.

Publication of CSR Reports

Chengdu Ito-Yokado has published a report annually since its first CSR Report, which summarizes its social and environmental initiatives, in July 2016. In preparing the report, we refer to various indicators in the Global Reporting Initiative (GRI), SDGs, and ESG, with a comparison table on each included at the end of the report.

The CSR Report for FY2021, published in August 2022, was distributed to attendees of the Sichuan CSR Report Presentation and conferences for the private sector, and was also provided to the Ministry of Industry and Credit, the State Resources Commission, and other government agencies through the China Federation of Industry and Economy for their use.



Promise to Customers



Quality and Freshness Management

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

Hua Tang Yokado Commercial holds quality control training for employees in the food sales floor four times each year and strictly adheres to quality control standards. In addition, the company conducts regular inspections of facilities and equipment, sanitation management processes, and quality management system for employees, on the sales floor and backrooms. Besides these inspections, employees in the food sales floor conduct PCR tests daily, and employees in the backroom conduct PCR tests every 24 to 48 hours in response to administrative requirements to prevent the spread of COVID-19 infections. The sales floor and backroom are regularly sanitized at our own initiative, as part of efforts to provide customers with a safe and secure shopping environment.

Provision of Traceability Information

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

看得见的放心 had expanded its range to a total of 348 items, and achieved a sales volume of 1.69 million units and sales figures of 25.84 million yuan, by 2022. In FY2022, 113 new items had been added, and the number of production sites expanded to 35 locations, including Wuchang, Dandong, Xinjiang, Hainan, Dali of Shaanxi Province, Xjshanshan County, Chengdu, Honghe, Shandong, Hanyuan County, Huili County, Zhangzhou, Pengzhou City, Pidu District, Suining, and Wensu County.

Among the items in the 看得见的放心 range are Shoen black pig products, produced from a carefully selected breed of Zoko pigs and Kawa black pigs which are raised for 12 years over six generations in regions with altitudes in excess of 4,000 meters. Shoen black pig products have enjoyed popular renown as a delicious pork characterized by its savory flavor and tenderness, with the pigs raised on feed consisting of a mix of cereals and mountain spring water, and pigs which are slowly and meticulously reared in a rich natural environment over a period of some 300 days.

We also offer "flower vegetables," a winter staple vegetable in Sichuan province as part of the 看得见的放心range. Five varieties and different shapes of flower vegetable were developed at production sites in Jianyang City and Pengzhou City, Sichuan, respectively. The different hues and textures of these are adding color to the diets of the citizens of Chengdu.





"看得见的放心" flower vegetable products

"看得见的放心" Shoen black pig products



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

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

Since 2022, inspections and evaluations of sales floors and backroom management, in-store equipment and environment, and safety and fire safety equipment, as well as employee customer service have been enhanced. The frequency of inspections and scope of items inspected have been increased, with inspections regarding waste segregation and waste management statuses also being made more rigorous.



Inspection of canteen freezers



Sharing of inspection results by the Administration Division and store staff members

"Citizen Quality Supervisor" System and Collection of Customer Feedback

Chengdu Ito-Yokado has conducted public recruitment of "Citizen Quality Supervisors" from among its customers since 2008 to improve its products and stores in line with customer standards. In FY2022, however, the company suspended customer roundtables and quality supervisor activities with a view to preventing the spread of COVID-19 infections. Despite this situation, activities to make active use of feedback from customers were maintained, with the range of Japanese products expanded, the number of products for women that can be redeemed with member points expanded, and products and services improved in response to the numerous comments received on the "伊藤到家" (online supermarket) portal site.



Breakdown of Customer Feedback

Promise to the Local Community



Donations and Stakeholder Engagement

Chengdu Ito-Yokado supports school education and assists needy families. Since FY2007, we have selected four elementary schools and donated necessary equipment to improve school facilities and equipment. We donated stationery, teaching materials, and sports equipment to disadvantaged children in response to the schools' requests. Furthermore, every year, we provide scholarships to outstanding students in the Sichuan University Japanese language program, both encouraging their studies and helping to nurture the skilled talent that will serve as a bridge between Japan and China in the future. This initiative marked its 25th anniversary in 2022.

On September 5, 2022, a magnitude 6.8 earthquake struck lcags zam, Sichuan Province. Numerous homes were destroyed and many people who had been living deep in the mountains were forced to live in evacuation shelters. Chengdu Ito-Yokado decided immediately after the earthquake to donate 250,000 yuan. Our assistance went primarily to

severely affected underage children from the De Tuo Town area, which suffered the greatest damage. We also visited the homes of disaster-struck children and provided them with good necessary to their daily lives and their studies.





Donation ceremony at an evacuation shelter in De Tuo Town, lcags zam

Calling in on the household of a youth affected by the disaster

Volunteer Activities

On the third Wednesday of every month, Chengdu Ito-Yokado employees at every store clean up the areas around the stores.

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



A volunteer team from Chunxi Store



Hua Tang Yokado Commercial cleanup activity



Cleanup at Zhongshan Square, a haven for pedestrians in Chunxi



Hua Tang Yokado Commercial cleanup activity

Promise to Employees





All Chengdu Ito-Yokado and Hua Tang Yokado Commercial stores have actively promoted local employees since the opening of their stores in China in order to create stores that are rooted in the local community, and Chinese staff are still playing an active role in each store. The percentage of Chinese employees (excluding directors) in management positions is 99.1% at Chengdu Ito-Yokado and 98.5% at Hua Tang Yokado Commercial, with local employees basically running the company. Chengdu Ito-Yokado's stores in local cities (Meishan and Leshan stores) employ a large number of local personnel, accounting for 89%.

We have also actively promoted women. The percentage of women in executive positions is 63.8% at Chengdu Ito-Yokado, and five of its 10 stores have female store managers. The percentage of female managers at Hua Tang Yokado is 50.6% (excluding directors), and the store manager of the Asian Village store is also a woman.

	Chengdu Ito-Yokado	Hua Tang Yokado Commercial
No. of employees	2,919	194
No. of part-time employees	87	25
Ratio of Chinese employees in management positions	99.1%	98.5%
No. and ratio of women in management positions (excluding executives)	720 (63.8%)	40 (50.6.%)
No. of female team leaders (ratio of female team leaders)	224 (61.9%)	15 (55.6%)
No. of female section managers (ratio of female section managers)	105 (63.2%)	13 (46.4%)
No. of female division managers (ratio of female division managers)	30 (66.7%)	12 (50.0%)
No. of female corporate officers (ratio of female corporate officers)	3 (25.0%)	1 (14.2%)
No. of employees with disabilities	51 (1.8%)	9 (4.6%)

Employee Data (As of the end of December 2022)

CSR Education

At the Chengdu Ito-Yokado and Hua Tang Yokado Commercial stores, since FY2020, we have poured our energies into reducing the volume of plastic being used. The stores jointly switched over to using shopping bags that are made of degradable plastic. In addition, to eliminate the use of store-supplied shopping bags, we are also focusing on the sales of eco-bags.

Furthermore, since FY2022, Chengdu Ito-Yokado has been participating in activities to promote SDGs. We offered a proposal on green consumption for the average consumer with the Chengdu City Retailers Association at a forum on sustainable development at the University of Electronic Science and Technology of China. We forthrightly proposed environmental protection activities to undertake together with our customers. This was done as a way to get more average consumers to partake in green consumption and carry out initiatives based on the principles of sustainable development even in the slightest of ways in their daily lives.



Self-Recommendation Program

Chengdu Ito-Yokado has been developing a workplace environment where our employees can thrive, rooted in the basic principles of "fairness, justice, competition, and selecting for excellence," so that our employees can grow further.

In FY2015, Chengdu Ito-Yokado began operating a Self-Recommendation Program as a show of respect for the autonomy of employees in order to provide an outlet for their motivation. The program is for employees who have worked for the company for at least one year and allows them to put themselves forward as candidates for the jobs they seek. Applicants who pass assessments are assigned to their desired workplace after a training period.

We have also been proactively engaged in human resource development, and in FY2022, launched our "Internal Competitive Recruitment System." We are regularly recruiting supervisors and assistant supervisors who will be in charge at stores; both persons who recommend themselves and are recommended by others can apply. Applicants describe the work that they are doing, and we appoint those applicants who received the most votes from among those employees who received positive evaluations from 51% or more of our in-house examiners. We also recruit department managers and more senior staff on an irregular basis. They explain and discuss their work, and we select those applicants who were graded the highest by our job recruitment committee. The employees selected perform their duties on an interim basis for six months. At the end of this, their work is reevaluated based on internal standards and, if they have passed the evaluation, they are officially appointed to their position.

Six recruitment drives took place in FY2022, and 109 persons applied. Of that number, 26 were promoted, six passed their exams, and five appointed candidates for executive training.

Human Resource Development Programs

Chengdu Ito-Yokado and Hua Tang Yokado Commercial are endeavoring to enhance their training programs to bring out the latent abilities of employees and enable them to fully display their strengths.

In March 2022 Chengdu Ito-Yokado established the Human Resource Development Center with the aims of nurturing human resources, passing on the corporate culture and philosophy, helping employees to acquire highly original expert skills, and training product development teams. This center, which proclaims a target of contributing to the company, the industry, and society, is striving to build a growth-oriented organization by consolidating the basics, providing in-house training, and acquiring the cooperation of outside experts.

In FY2022, Hua Tang Yokado Commercial reviewed its educational content relating to the corporate creed and management philosophy, on-site employee support, and customer service and is endeavoring to supply top-quality products and services to customers. By commending staff (meaning not only regular employees but all store staff, including partner company employees, tenant employees, cleaners, and security guards) who receive words of praise from customers in plenary meetings, it seeks to elevate the feeling of togetherness and engagement among staff.

Human Resource Development and Training

Classroom Training

Chengdu Ito-Yokado is promoting the building of a growth-oriented organization and a motivational workplace environment. In FY2022, it implemented 18 courses of in-house training on the three principal themes of corporate culture, management capability, and work capability. These courses were attended by an aggregate total of 11,405 employees.



Training for new recruits



In-house training to disseminate the corporate culture and management philosophy

e-Learning

To pass on and instill the company's basic philosophy, Chengdu Ito-Yokado, in tune with changes in the times, has introduced training methods that are easier for a new generation of employees to accept. It continued e-learning again in FY2022, offering a variety of courses on such topics as corporate culture, corporate strategy, and specialized knowledge by job category. The format of the courses was varied too, including short movies, videos, and animation. An aggregate total of 34,857 persons, including both Head Office and store staff, took the courses.

Promise Regarding the Environment



Energy-Saving Initiatives

Chengdu Ito-Yokado has been advocating an environmental philosophy of "respect for nature, adaptation to nature, and protection of nature" since FY2020, and it is continuing to separate resource garbage, improve the environmental infrastructure, collect recyclable waste, and so on. In FY2022, at a cost of 100 million yen, it switched to LED equipment for store lighting. In addition, the whole company is endeavoring to reduce carbon emissions by, among other initiatives, curbing food waste and collecting recyclable garbage. Nevertheless, gas usage is increasing, which is a problem in terms of reducing carbon emissions. The increased gas usage resulted from a switch, in consideration of the environment, in the boiler fuel used for winter heating from coal to natural gas. Going forward, the company will implement the control of gas usage.

Hua Tang Yokado Commercial is making efforts to properly operate the air-conditioning system that manages store temperature. By adjusting operating times and air-conditioned areas as necessary in response to weather and temperature changes, it reduces gas and electricity usage. In addition, it requests the facility administrator to carry out the detailed measurement of in-store temperature and, in response to temperature changes, adjusts the operating patterns of the air-conditioning equipment. Furthermore, Hua Tang Yokado Commercial is striving to curtail electricity usage. Among other things, it has introduced energy-saving lighting equipment at all store sales floor and has reduced backroom lighting usage by 50%. Nevertheless, because of increased construction work in the tenant part during store renovation, in FY2022, there was a rise in electricity and gas usage in the section unrelated to independent business, as a result of which energy usage in the store as a whole increased. Going forward, with the cooperation of in-store tenants, efforts will be made to reduce energy usage in the entire store.

Chengdu Ito-Yokado

	FY2020	FY2021	FY2022
Number of stores	9	10	11
Energy consumption (standard coal tons)	13,553	13,580	12,140
Electricity consumption (MWh)	105,439	107,670	98,783
Gas usage (1,000 m ³)	540	563	684
Water usage (1,000m ³)	888	857	752

Hua Tang Yokado Commercial

	FY2020	FY2021	FY2022
Number of stores	1	1	1
Energy consumption (standard coal tons)	1,434	1,353	1,408
Electricity consumption (MWh)	7,924	7,912	7,950
Gas usage (1,000 m ³)	335	256	274
Water usage (1,000m ³)	55	63	54

Award History (FY2022)

Chengdu Ito-Yokado and Hua Tang Yokado Commercial received the following awards in FY2022 in recognition of their various initiatives.

Chengdu Ito-Yokado

Names of Award	Presenting Organization
FY2022 Best 10 Leader Companies	Chengdu Retailers' Association
FY2022 Social Value Contribution Award	Chengdu Retailers' Association
FY2022 Promising Business Project: Financial City Store (lifestyle grocery stores)	Chengdu Retailers' Association
FY2022 15-Minute Sphere Residents' Daily Life Service Leader Prize: Shuangnan Store (grocery supermarket)	Chengdu Retailers' Association
FY2022 Chengdu Fashion Business Comprehensive Ranking: Business Promotion Grand Award	Chengdu Economic Daily and Red Star Newspaper
FY2022 Consumers' Review of Most Outstanding Golden Business Models in China	Huaxi Metropolitan News Agency

Hua Tang Yokado Commercial

Names of Award	Presenting Organization
FY2022 Class B Tax Payment Reliability Company	Chaoyang State Taxation Bureau
FY2022 Leading Companies with Safest Production Systems	Chaoyang District Xiaoguan Subdistrict