

# **SUSTAINABILITY DATA BOOK 2023**

SEVEN&i HLDGS. Co.,Ltd.

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#### **About the Sustainability Data Book**

This report, the Sustainability Data Book 2023, takes a comprehensive look at the principal sustainability initiatives of Seven & i Holdings, the holding company, and its operating companies, focusing on the efforts of each Group company for material issues reviewed in 2022, as well as for activities of overseas operating companies. Reports on efforts of the Seven & i Group toward achievement of the Sustainable Development Goals (SDGs), adopted at a summit of the United Nations in 2015, are accompanied by the relevant SDG logo and icons.

**Period of the Report:** This report covers our activities during the fiscal year ended February 28, 2023 (March 2022 to February 2023). Some of our activities in the fiscal year ending February 28, 2024 are also included.

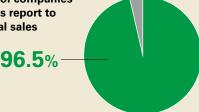
#### References

GRI Sustainability Reporting Standards SASB Standards ISO 26000

Date of Issue: February 2024

**Report Coverage:** This report mainly covers the companies listed below

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



Seven & i Holdings Co., Ltd.

Seven-Eleven Japan Co., Ltd

Ito-Yokado Co., Ltd.

York-Benimaru Co., Ltd.

York Co., Ltd.

Akachan Honpo Co., Ltd.

Seven & i Food Systems Co., Ltd.

Seven Bank, Ltd.

7-Eleven, Inc.

SEVEN-ELEVEN HAWAII, INC.

SEVEN-ELEVEN (BEIJING) CO., LTD.

SEVEN-ELEVEN (CHENGDU) CO., LTD.

SEVEN-ELEVEN (TIANJIN) Co., Ltd.

Chengdu Ito-Yokado Co., Ltd.

Hua Tang Yokado Commercial Co., Ltd.

## **Basic Policies of Sustainability Initiatives**

Seven & i Holdings conducts its business activities based on its corporate creed of aiming to be a sincere company trusted by all stakeholders. We have stated the actions for realizing that creed in our Corporate Action Guidelines.

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

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



#### **Corporate Creed**

We aim to be a sincere company that our customers trust.

We aim to be a sincere company that our business partners, shareholders and local communities trust.

We aim to be a sincere company that our employees trust.

#### The Basic Posture of Seven & i Holdings Employees

#### Corporate Action Guidelines >

- Basic Policy
  - 1. Provision of Safe and High-Quality Products and Services
  - 2. Maintenance of Fair and Transparent Transactions
  - 3. Cooperation with Local and International Communities
  - 4. Respect for Human Rights
  - **5.** Respect for Diversity and Improvement of Job Satisfaction
  - **6.** Preservation of the Assets and Information of the Company
  - 7. Contribution to a Sustainable Society
  - 8. Dialogue with Stakeholders
  - 9. Efforts Regarding Social Issues

- Code of Corporate Conduct
  - 1. Compliance (Legal Compliance)
  - 2. Relationships with Customer
  - **3.** Relationships with Business Partners
  - **4.** Relationships with Shareholders and Investors
  - 5. Relationships with Local and International Communities
  - Relationships between the Company, and Directors, Officers, and Employees
  - 7. Preservation of Global Environment

#### **Policies for Each Measure**

- > Seven & i Group Human Rights Policy
- > Seven & i Group Business Partner Sustainable Action Guidelines
- > "GREEN CHALLENGE 2050" Seven & i Group's Environmental Declaration
- > Basic Policy Relating to Measures to Contribute to the Prevention of Global Warming
- > Seven & i Group Sustainable Sourcing Principles and Policies
- > Quality Policy
- > Basic Policy on Social and Cultural Contribution, Social and Cultural Contribution Action Guidelines

#### **Support for the United Nations Global Compact**

Seven & i Holdings supports the 10 principles of the UN Global Compact, a worldwide framework for achieving sustainable growth, and carries out CSR activities through its core businesses to fulfill these principles.



> UN Global Compact

#### Addressing the Sustainable Development Goals (SDGs)

Seven & i Holdings is working to solve social issues through its business activities, with a view to achieving the Sustainable Development Goals\* adopted at a United Nations summit held in 2015.

\* The international community's shared goals for attaining the sustainable development of society, the economy, and the environment by 2030, in order to ensure all people enjoy peace and prosperity.





> Sustainable Development Goals

## "GREEN CHALLENGE 2050" Seven & i Group's Environmental Declaration

"GREEN CHALLENGE 2050" (Approved by the Board of Directors of Seven & i Holdings in May, 2019)

Formulated May 2019
Partially revised December 2020
Partially revised May 2021

The Seven & i Group has strived to realize wealthy and convenient lives by responding to various changes in the social environment through the provision of products and services with value. At the same time, various environmental issues and social issues (e.g., external diseconomies) have come to the fore. Solutions to these issues are urgently needed for the sustainable development of society. With awareness of this current situation, our group will further promote a reduction of our environmental footprint across our entire store network and supply chain. All employees in our group are coming together as one to work on preserving the healthy global environment for future generations.

Vision	Theme	Targets for 2030	2050 Vision	
Decarbonized society	Reduction of CO2 emissions	Reduce emissions from group store operations by 50% (compared to FY2013).	Reduce emissions from group store operations to net-zero	
		Reduce emissions across our entire supply chain (scope 3) in addition to our own emissions (scopes $1+2$ ).		
Circular Economy	Measures against plastic	Containers used in our original products (including Seven Premium) to be made 50% with environmentally friendly materials (e.g., biomass, biodegradable and recycled materials and paper).	Containers used in our original products (including Seven Premium) to be made 100% with environmentally friendly materials (e.g., biomass, biodegradable and recycled materials and paper).	
		Zero use of plastic-made shopping bags. Shopping bags to be made of sustainable natural materials (e.g., paper).		
	Measures against food loss and for food recycling	Reduce food waste by 50% at the amount generated by unit (amount generated per million yen in sales) (compared to FY2013).	Reduce food waste by 75% at the amount generated by unit (amount generated per million yen in sales) (compared to FY2013)	
		Increase food waste recycling rate to 70%.	Increase food waste recycling rate to 100%.	
Society in harmony with nature	Sustainable procurement	50% of the raw food ingredients used in our original products (including Seven Premium) to be those that guarantee sustainability.	100% of the raw food ingredients used in our original products (including Seven Premium) to be those that guarantee sustainability.	

<sup>\*</sup>We will review our targets in response to changes in the social environment.

#### **Identification of the Four Themes**

#### **Awareness of the Current Situation**

The Seven & i Group operates diverse distribution service business lines (e.g., convenience stores, supermarkets, department stores and specialty stores). We meet the daily living needs of our customers through these store networks. At the same time, we strive to provide the new value demanded by the times and society. This has allowed us to develop a store network with more than 22,800 stores in Japan. We have been able to grow into a company with 22 million customers visiting us a day (as of the end of February 2023). As a result, the products and services we provide are enjoyed by many customers. On the other hand, this now has a considerable effect on the global environment. As indicated by the Sustainable Development Goals (SDGs), the whole world is seriously seeking sustainable development. Against this backdrop, it is now essential we proactively reduce our environmental footprint so that our group can grow together with our customers and participate in development with society.

#### **Identification of Themes**

To that end, we first strived to more specifically express our efforts to reduce our environmental impact. We did this by identifying fields with a particularly high social effect in the environmental impact generated by our business activities. As a result, we recognize that there are four themes with a large social impact that are especially close to our business activities: CO2 emissions generated by the use of the power necessary in our store operations (e.g., lighting, refrigeration and freezing); use of plastic (e.g., various products, shopping bags and packaging materials); food loss arising from the disposal of products; and product procurement with an impact on the environment and society in the raw material, processing and manufacturing processes.

#### **Target Value Setting**

We grasped the current situation for each of these themes to respond effectively to these challenges. We then specifically indicated our mission and responsibility in the near future of 2030 and in the next generation society of 2050 by setting targets quantitatively. We consider the stakeholders given in our corporate creed to be a sincere company that is trusted to also include the future generations. With this in mind, we would like to share our environmental goals "GREEN CHALLENGE 2050" with each generation in the future.

#### All Employees Working Together As One

First, all the employees in our group will share the purpose and targets of "GREEN CHALLENGE 2050". We will then work to achieve this in our daily work. At the same time, it is also essential to respond to social diseconomies arising between companies in the process of distribution to achieve these targets. We will expand our close cooperation structure with our customers, local communities, business partners and all our other stakeholders through serious efforts with our whole group coming together as one. We will then promote innovation toward the creation of a sustainable society.

#### Launch of Four Theme-based Innovation Teams

We will work on new innovation under four themes: reduction of CO2 emissions, measures against plastic, measures against food loss and for food recycling, and sustainable procurement. To that end, we will select leaders (executive officers and higher) and sub-leaders from supervisory departments in each operating company to promote cross-group efforts to achieve our targets for 2030 and 2050.

- > Efforts for reduction of CO2 emissions
- > Measures against plastic usage
- > Efforts for effective use of plastics
- > Measures against Food Loss / Waste and Measures for Organic Waste Recycling

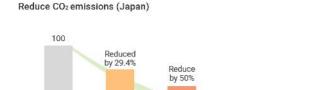
Net zero

2050

(FY)

> Efforts for sustainable procurement

#### **Progress on Four Themes (FY2022 Results)**



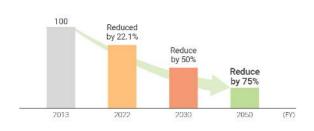
Reduction rate of CO2 emissions from group store operations \*1 (compared to FY2013)

2030

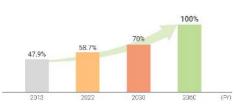
#### Reduce food waste & food waste recycling (Japan)

2022

2013

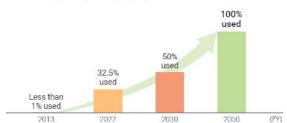


Amount of food waste \*3



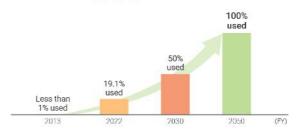
Food waste recycling rate \*4

#### Measures against plastic (Japan)



Ratio of environmentally friendly materials used in containers for original products \*2

#### Sustainable sourcing (Japan)



Ratio of sustainable food ingredients used in original products \*5

- \*1: Total of 9 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, Shell Gardens, IY Foods, Akachan Honpo, Seven & i Food Systems, and LOFT
- \*2 : Ratio of environmentally friendly materials (biomass, biodegradable, recycled materials, paper, etc.) used in containers for original products (including Seven Premium). Calculated for 7 companies that handle original products (Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, IY Foods, Akachan Honpo, and Seven & i Food Systems)
- \*3: Food waste generated per million yen in sales. Calculated for 6 food-related operating companies (Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, Shell Garden, Seven & i Food Systems)
- \*4: Calculated for 6 food-related operating companies (Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, Shell Garden, Seven & i Food Systems)
- \*5: Ratio of food ingredients used in original products (including Seven Premium) that have been certified as sustainable. Calculated for 6 food-related operating companies (Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, IY Foods, Seven & i Food Systems)

## **Stakeholder Engagement**

Since its foundation, Seven & i Holdings has aimed to be a sincere company, trusted by all of its stakeholders, including customers, business partners, shareholders, local communities, and employees. We believe it is important to strive to understand the requirements and expectations that stakeholders have of Seven & i Holdings and the Group, and to respond to these.

For this reason, Seven & i Holdings and its Group companies will strive to respond quickly to feedback from our stakeholders-the opinions, desires, areas of dissatisfaction, requests, and so forth, that we receive through our dialogue with them. We will reflect this feedback in our management decision making process and business activities.

#### Seven & i Holdings' Stakeholders

Engagement with Stakeholders		Main Engagement Methods	Main Response Policy		
Customers	We constantly think of things from the customer's point of view, and to earn our customers' trust we value communication, and will continue to respond to their feedback.	<ul> <li>Daily operations</li> <li>Inquiries to the customer feedback department</li> <li>Customer questionnaires</li> <li>Website community that invites customers to participate</li> </ul>	<ul> <li>Provide products and services that enrich customers' lives</li> <li>Improve products and services and ensure safety</li> <li>Label accurately in an easily understandable manner</li> <li>Manage personal information appropriately</li> <li>Promote universal design</li> </ul>		
Business Partners	Our products and services could not be supplied without the cooperation of our business partners. We will rigorously observe laws and regulations and internal rules relating to fair trade as well as build relationships of trust with business partners to ensure maintenance of safety and security and accounting for human rights and the environment. We will work together with them to carry out our social responsibilities.	<ul> <li>Product development meetings</li> <li>Quality improvement meetings</li> <li>Informal gatherings with business partners</li> <li>CSR audits of business partners</li> <li>Business Partner Help Line</li> <li>Business partner questionnaires</li> </ul>	<ul> <li>Development of products and services through team merchandising</li> <li>Rigorous fair trade practice</li> <li>Compliance with laws and regulations through the supply chain and consideration for human rights and the environment</li> </ul>		

Engagement with Stakeholders		Main Engagement Methods	Main Response Policy		
Shareholders and Investors	Our operations are underpinned by the investments of our shareholders and investors. To respond to their trust, we emphasize highly transparent management and communication and fulfill our duty of accountability through disclosure.	<ul> <li>General Shareholders'         Meeting</li> <li>Financial results         presentations</li> <li>Meetings with investors</li> <li>Information website for         investors and organization         newsletter</li> </ul>	<ul> <li>Maximization of shareholder value and return profits</li> <li>Proper accounting procedures and timely disclosure of information</li> <li>Highly transparent management</li> <li>Accountability toward beneficiaries</li> </ul>		
Local	We aim to play an indispensable role in our local communities. To this end, by providing products and services matching the lifestyles in local communities, encouraging local production and local consumption and coexisting with communities, we will promote activities that contribute to community development.	<ul> <li>Regional Comprehensive         Economic Partnerships with         local governments</li> <li>Participation in community         activities</li> <li>Dialogue through industry         groups</li> </ul>	<ul> <li>Provision of products and services matching regional characteristics</li> <li>Consideration for living environments in regional areas</li> <li>Contribution to regional development</li> <li>Resolution of social issues in collaboration with NGOs, NPOs, and others</li> <li>Safe and reliable urban development in collaboration with administrative authorities</li> <li>Support for local production and local consumption, dietary education, childraising, the elderly, and people with disabilities</li> <li>Provision of products after the occurrence of natural disasters and support for affected areas</li> <li>Participation in volunteer activities</li> </ul>		

Engagement with Stakeholders		Main Engagement Methods	Main Response Policy	
Franchise Store Owners	Seven-Eleven Japan (SEJ) believes that relationships of trust with owners of franchise stores are the core of its business, and these relationships should be mutually beneficial. Through dialogue with Operations Field Consultants (OFCs) we build good relationships based on strong mutual trust and contribute to realizing comfortable and more prosperous lives for customers.	<ul> <li>Regular OFC visits to stores</li> <li>Product exhibitions</li> <li>Training and workshops by region</li> <li>Owners' organization newsletter</li> <li>Owners' opinion exchange meeting</li> <li>Owner consultation desk</li> </ul>	<ul> <li>Strengthening of management structure</li> <li>Strengthening of store operation capabilities</li> <li>Strengthening of partnerships</li> <li>Construction and ongoing improvement of a highly competitive franchise system</li> </ul>	
Employees	We aim to realize workplaces where employees can participate actively and find satisfaction in their work. To this end, we will create working environments that are fair, just, and considerate of human rights. We will also create environments that protect privacy and safety, while helping workers to develop their capabilities and facilitate their work./td>	<ul> <li>Management policy briefings</li> <li>Employee opinion survey</li> <li>Employee training</li> <li>Self-check systems and individual meetings</li> <li>Internal portal website and Group newsletter</li> <li>Employee Help Line</li> </ul>	<ul> <li>Respect for human rights, diversity, and individuality</li> <li>Creation of discrimination-free workplaces that consider human rights</li> <li>Utilization of diverse human resources</li> <li>Occupational health and safety and prevention of workplace accidents</li> <li>Achievement of work-life balance</li> <li>Preventative care for mental health</li> <li>Promotion of employee health</li> <li>Transparent and fair evaluations</li> <li>Respect for rights, such as the right for employees to engage in collective bargaining</li> <li>Support for development of employee abilities</li> </ul>	

Engagement with Stakeholders		Main Engagement Methods	Main Response Policy	
Global Environment	Our business is dependent on the blessings of the earth's environment. Therefore, we will provide products and services taking into account the sustainability of the environment, while cooperating with customers, business partners, and employees to reduce the environmental impact throughout the entire supply chain.	<ul> <li>Inquiries to the customer feedback department</li> <li>Dialogue with product and packaging materials suppliers</li> <li>Dialogue with national and local governments, NPOs, and NGOs, and residents of store neighborhoods</li> <li>Dialogue with equipment and maintenance companies</li> <li>Waste disposal companies</li> </ul>	<ul> <li>Reduced CO2 emissions</li> <li>Reduced energy consumption</li> <li>Environmental awareness among employees</li> <li>Compliance with environmental legislation</li> <li>Installation of energy saving and environmentally friendly equipment</li> <li>Water-saving measures</li> <li>Reduction of waste and promotion of recycling</li> <li>Reduction of packaging materials</li> <li>Preservation of biodiversity</li> <li>Environmentally considerate products and services</li> </ul>	

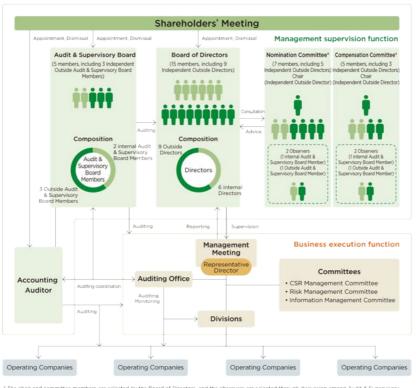
### **Corporate Governance**

Seven & i Holdings' mission is to strengthen corporate governance and maximize the Group's corporate value as a holding company that supervises the operating companies under its umbrella.

#### **Basic Views on Corporate Governance**

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

Seven & i Holdings ensures the effectiveness of its corporate governance by coordinating "audits" conducted by the Audit & Supervisory Board Members (Audit & Supervisory Board), including multiple Outside Audit & Supervisory Board Members who maintain their independence and have specialized knowledge in such areas as legal affairs and financial accounting, through their actively cooperating with the accounting auditor and the internal audit division, and "formulation of management strategies" and "supervision of business execution" conducted by the Board of Directors, including multiple Outside Directors who maintain their independence and have advanced management knowledge and experience. Seven & i Holdings has adopted this corporate governance structure because it judges the structure to be workable for realizing and ensuring Seven & i Holdings' corporate governance and for conducting appropriate and efficient corporate management.



Seven & i Holdings Corporate Governance System (as of August 31, 2023)

<sup>\*</sup> The chair and committee members are selected by the Board of Directors, and the observers are selected through discussion among Audit & Supervisor Board Members.

## **Compliance**

Seven & i Holdings places absolute priority on compliance with laws and regulations and social norms. We also strive to ensure that its corporate governance is functioning soundly and secured by management.

#### **Seven & i Holdings Corporate Action Guidelines**

The Seven & i Holdings Corporate Action Guidelines present the behavior that each employee should practice in order to realize the spirit of "trust and sincerity" expressed in the Group's corporate creed. The guidelines call for employees to comply with laws, regulations, and social norms, to uphold laws and regulations such as the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade as well as internal rules, conduct business under appropriate conditions in line with sound trading practices, and not to have any contact with antisocial groups.

Details of the Seven & i Holdings Corporate Action Guidelines can be found here >

#### **Basic Policy**

- Provision of Safe and High-Quality Products and Services
- 2. Maintenance of Fair and Transparent Transactions
- 3. Cooperation with Local and International Communities
- 4. Respect for Human Rights
- **5.** Respect for Diversity and Improvement of Job Satisfaction
- **6.** Preservation of the Assets and Information of the Company
- 7. Contribution to a Sustainable Society
- 8. Dialogue with Stakeholders
- 9. Efforts Regarding Social Issues

#### **Code of Corporate Conduct**

- 1. Compliance (Legal Compliance)
- 2. Relationships with Customers
- 3. Relationships with Business Partners
- 4. Relationships with Shareholders and Investors
- **5.** Relationships with Local and International Communities
- Relationships between the Company, and Directors, Officers, and Employees
- 7. Preservation of Global Environment

#### **Compliance System**

Seven & i Holdings has a CSR Management Committee, chaired by the President, and four subcommittees - Compliance Subcommittee, the Corporate Ethics and Culture Subcommittee, Supply chain Subcommittee, and the Environment Subcommittee. These subcommittees work together with each Group company to promote the Seven & i Holdings Corporate Action Guidelines and to rigorously enforce compliance.



#### **Internal Whistleblowing System**

Seven & i Holdings has set up the Groupwide Employee Helpline, the Business Partner Helpline, and the Audit & Supervisory Board Hotline to prevent conduct that could result in loss of public credibility and to ensure early detection, early remediation, and recurrence prevention. The Groupwide Employee Helpline is for receiving reports from employees of operating companies in Japan, the Audit & Supervisory Board Hotline is for reports related to management, and the Business Partner Helpline is for reports from business partners.

The three internal reporting systems have a consultation desk operated by a third party under a service contract and a non-disclosure agreement to protect the privacy of people consulting or whistleblowing, and ensure that the content of their reports is not disclosed publicly or leaked. The consultation desk accepts reports via email, telephone, or post. (Reports via telephone are only accepted during service hours.)

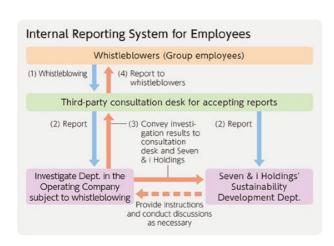
Once a whistleblowing is received, the company subject to the whistleblowing quickly confirms the facts, corrects any violations that are found, and strives to prevent a recurrence. To create an environment that facilitates reporting, reports can be made anonymously, and our operating regulations stipulate that whistleblowers are not to be subjected to disadvantageous treatment for having made a report. The person is contacted at the end of the month following notification of completion of the case by the third-party consultation desk to check that they have not suffered retaliation or disadvantageous treatment.

Seven & i Holdings' Sustainability Development Department keeps track of the number and nature of the reports for each Group company, as well as the status of responses, to ensure that the actions taken by the operating companies are appropriate. In the event of a serious violation or other such incident, a report will be provided immediately to the Representative Director, responses will be discussed with the relevant divisions and companies, and the necessary response measures will be taken. In addition, the CSR Department reports on the operational status of the internal reporting system to Seven & i Holdings' Board of Directors.

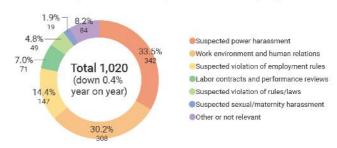
#### Groupwide Employee Helpline (Internal Whistleblowing System for Employees)

The Groupwide Employee Helpline can be used by Group employees, Directors and Audit & Supervisory Board Members, and retirees and their families. To ensure that all employees are aware of the system and its contact points, it is explained in employee training and on the intranet, and posters are put up in every workplace and store. Additionally, employees' awareness of the Groupwide Employee Helpline is surveyed as part of the Employee Engagement Survey administered once every two years.

#### Procedural Flow for the Groupwide Employee Helpline



#### Number of reports for the fiscal year ended February 28, 2023



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

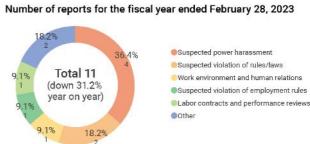
  \*Operating companies in North America and China have their own internal reporting systems to receive reports and consultations from employees

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

The Audit & Supervisory Board Hotline has been in operation since February 2019 for the purpose of receiving reports independent of management related to actions that could potentially result in the loss of social trust in which the directors, members of the Audit & Supervisory Board, executive officers, and other members of management for Group companies in Japan are suspected of being involved, and investigating them. When the Company receives a report, it quickly confirms the facts, and the members of the Seven &i Holdings Audit & Supervisory Board work together with the members of operating company Audit & Supervisory Boards to correct any violations that are found and strive to prevent a recurrence.

#### Procedural Flow for the Audit & Supervisory Boad Hotline



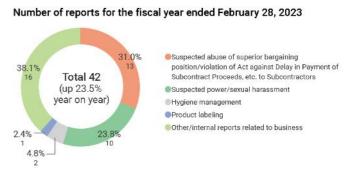


#### Business Partner Helpline (Internal Whistleblowing System for Subcontractors)

The Business Partner Helpline can be used by Directors and Audit & Supervisory Board Members, employees, and former employees of domestic Group companies' business partners. To ensure that business partners are fully aware of the helpline system and its points of contact, we explain it at briefings for business partners and distribute information in pamphlets.

#### Procedural Flow for the Business Partner Helpline





#### **Compliance Education and Training of Employees**

Seven & i Holdings and Group companies endeavor to promote and foster understanding of the Seven & i Holdings Corporate Action Guidelines among all employees. To this end they have prepared specific guidance for employees on how to put the guidelines into practice in line with the business characteristics of each company. In addition, when undertaking tier-specific group training for organizational levels ranging from new recruits to management, Seven & i Holdings provides training based on the themes of the Seven & i Holdings Corporate Action Guidelines and compliance. From the fiscal year ended February 29, 2016, compliance seminars have been held every year for executives, beginning with the presidents of Seven & i Holdings and each Group company. In addition, starting in the fiscal year ended February 28, 2017, training via e-learning (some employees viewed DVDs) has been periodically undertaken for Group employees in Japan. In the fiscal year ended February 28, 2023, 4,162 employees took the training.





#### **Compliance Awareness Survey**

Seven & i Holdings prepares questions related to compliance and periodically conducts the Employee Engagement Survey, an anonymous biennial survey designed to gauge the extent of understanding of the Corporate Creed and compliance awareness among employees. The survey includes questions that measure job satisfaction and the degree of acceptance of performance reviews. Groupwide initiatives are implemented to address common issues across the Group that have been identified by the survey results. Along with this, Group companies devise measures to tackle the issues faced by each company and strive to make improvements accordingly. In the fiscal year ended February 28, 2023, interviews were conducted with 26 Group companies to confirm the occurrence, response, and improvement status of compliance incidents.

For more details of the Employee Engagement & Culture Survey >

#### **Anti-corruption**

Seven & i Holdings is a signatory to "the UN Global Compact." Based on the spirit of "Trust and Sincerity" set forth in the Corporate Creed, the Seven & i Holdings is working on anti-corruption, including extortion and bribery, in compliance with the laws and regulations of the regions in which it operates.

The Seven & i Holdings Corporate Action Guidelines states, "We conduct transactions based on appropriate conditions by following sound business practices. No transactions should be made for personal gain or benefit." We prohibit the provision of gifts, entertainment, and financial benefits to public officials or persons equivalent thereto in Japan and overseas. We also prohibit the receipt of private benefits from business partners, and do not engage in any form of corruption or fraud, including bribery, illegal political contributions, money laundering, and embezzlement. As a member of the international community, we pay close attention to countries, regions, organizations, and individuals subject to international economic and trade sanctions. Each the Seven & i Group company has provided specific guidance for implementing the Seven & i Holdings Corporate Action Guidelines in accordance with its business characteristics and educates its employees.

The Seven & i Group reports any suspected violation of compliance, including corruption, to its superiors, and accepts reports from employees through the Groupwide Employee Helpline, an internal reporting system, and from business partners through the Business Partner Helpline. If a serious violation occurs, we report it to the Board of Directors and take disciplinary action in accordance with internal regulations. The status of compliance with the Corporate Action

Guidelines is confirmed in the "Employee Engagement Survey" which is held every two years, and the "Business Partner Questionnaires" which are held every year.

In addition, we ask our suppliers to prevent corruption and conduct fair transactions in the "Seven & i Group Business Partner Sustainable Action Guidelines". We disseminate the guidelines at supplier briefings and confirm the progress of the guidelines through self-check sheets. In China and Southeast Asia, where CSR risks are high, we also conduct compliance training for suppliers of outsourced manufacturing of private-brand products.

Seven & i Holdings Corporate Action Guidelines can be found here >

Seven & i Group Business Partner Sustainable Action Guidelines can be found here >

#### System for Prevention of Noncompliance Regarding Business Practices

Seven & i Holdings, in its Compliance Subcommittee, is working to prevent violations by sharing information on the latest laws and regulations concerning business practices and measures to address cases of unfair business practices that have occurred at Group companies or other companies in the industry.

If a case of an unfair business practice occurs, or is suspected, the FT Information Sharing Committee and the Sustainability Development Department work together to check the facts with the department and business partners concerned. If any issues are found to exist, they are dealt with appropriately according to administrative guidance.

#### **Prevention of Noncompliance at Group Companies**

Each Group company has a division to rigorously ensure fair trading practices, such as the FT Committee headed by the company president. These divisions are responsible for training the personnel responsible for procurement as regards the laws and regulations related to contracts, such as the Antimonopoly Act and the Subcontract Act. The status of legal compliance at each Group company is confirmed through a monitoring survey of each Group company conducted by the FT Information Sharing Committee.

#### **Prevention of Noncompliance Regarding Business Partners**

In the final stage of negotiations with each business partner, to ensure there are no later disagreements between the personnel in charge of purchasing at each company and the representative of the business partner, the matters determined as a result of their discussions are recorded in a standardized format, with each party retaining a copy. Moreover, the Seven & i Group conducts individual employee interviews led by the employee's supervisor once every six months. At the individual interviews of personnel in charge of purchasing, their compliance with fair business practices is evaluated and reflected in their compensation package. From the fiscal year ended February 28, 2017, the Seven & i Group has conducted questionnaire surveys of business partners to confirm whether the speech and behavior of employees toward business partners follow the Seven & i Holdings Corporate Action Guidelines. In these surveys, business partners reply to questions anonymously. In the fiscal year ended February 28, 2023, a total of approximately 10,900 representatives of business partners responded to questionnaire surveys issued by Group companies.



## Protecting Personal Information and Appropriately Securing the Safety of Information Assets

Seven & i Holdings aims to be a sincere company that is trusted by its stakeholders, and it positions the safeguarding of personal information and the appropriate protection and security of information assets handled by the Group as an important priority and social responsibility of its management and operations and as mandatory for all executives and employees. Our company has established the Personal Information Protection Policy and the Basic Policy on Information Security, and it has made it mandatory for all employees to comply with relevant laws and regulations such as the Act on the Protection of Personal Information and internal rules to ensure appropriate business execution through the protection of personal information and the use of information assets.

Information Security and Personal Information Protection can be found here >

Personal Information Protection Policy can be found here >

Basic Policy on Information Security can be found here >

#### **Tax-Related Policies**

The Chief Financial Officer (CFO) of Seven & i Holdings is responsible for tax management. Based on the Seven & i Holdings Global Tax Policy, Seven & i Holdings has a tax strategy that corresponds with its management strategies and carries out uniform company-wide tax management. In addition, we report significant tax-related issues to the Board of Directors.

#### Seven & i Holdings Global Tax Policy

Seven & i Holdings has a basic policy of establishing high-quality corporate governance systems at the Company and its Group companies, including overseas subsidiaries. The systems are designed to ensure sound, sustainable growth and to uphold public trust. To provide appropriate countermeasures for tax-related risks, including changes in the tax governance environment in Japan and overseas, reputational risk, brand value degradation, and corporate social responsibility, we have a tax strategy that corresponds with our management strategies, and we will carry out uniform company-wide tax management.

In line with the above, Seven & i Holdings has adopted the following global tax policy.

#### 1. Legal Compliance

Seven & i Holdings and its Group companies, including overseas subsidiaries, always comply with the taxation laws in the countries where they operate. Moreover, they also respect the intention of such laws by paying taxes appropriately as a way of contributing to the economic development of the countries.

To ensure that our compliance with tax-related laws and our tax management are appropriate, we follow the guidelines for developing internal controls for financial reporting to build and develop internal control systems that ensure appropriate accounting procedures and financial reporting. We also operate these systems appropriately and have inside and Outside Audit & Supervisory Board Members check and assess the effectiveness of the controls.

#### 2. Ensure Transparency

Seven & i Holdings and its Group companies, including overseas subsidiaries, provide timely and appropriate disclosure of management data and tax payment status in accordance with the laws of each country where they have operations.

Moreover, the Company and its Group companies, including overseas subsidiaries, do not engage in tax avoidance practices (tax havens), which are excessive tax-saving activities such as transferring value to low-tax countries, and transactions between operating companies are conducted according to the arm's length principle.

#### 3. Relationship with Tax Authorities

Seven & i Holdings and its Group companies, including overseas subsidiaries, strive to ensure transparency and reliability with regard to their tax obligations by responding in good faith to the tax authorities in the countries where they operate and international tax authorities.





#### Tax-Related Risks

Seven & i Holdings has evaluated the impact of tax obligation risks on future value creation. As a result, we recognize the risk from changes in accounting standards and tax systems, such as transfer pricing taxation as a financial risk, and the risk associated with M&A and business reorganizations as a business risk.

#### **Financial Risks**

The Group could encounter unforeseen introductions of new accounting standards or taxation systems, or changes to existing systems, which could affect its business performance or financial position.

#### **Business Risks**

The Group develops new businesses and reorganizes its Group businesses through M&As, business alliances with other companies, establishment of joint ventures, and so forth. However, if the Group's strategic investments do not achieve the initially anticipated effect and cannot meet their targets, its business performance and financial position could be affected.

#### **Tax-Related Reports**

Our Group is expanding new businesses and restructuring Group businesses through M&As, business tie-ups with other companies, the establishment of merged companies, and so on. However, if we are unable to attain the effects we originally hoped for from strategic investments and are unable to accomplish their objectives, there is a chance that this will have a negative effect on our Group's business results and financial situation.



#### Tax payment amount by country or region for the fiscal year ended February 28, 2023 (Millions of yen)

	Japan	US	Canada	China
Revenues from operations	2,930,711	8,461,981	362,919	66,510
Income before income taxes	162,799	243,865*	▲982*	▲3,232
Corporation tax	63,337	8,179	1,201	▲918
Tax payment	78,757	17,585	59	337

<sup>\*</sup>The amount of income before income taxes in the US and Canada contains amortization of goodwill due to Japanese Generally Accepted Accounting Principles.

## **Information Security and Personal Information Protection**

Seven & i Holdings and its Group companies recognize that it is an important management and business issue to protect customer information and other information assets held by the Group from various threats, including unauthorized access and cyber-attacks, and to ensure the information security of the entire Group.

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

#### **Development of Information Security Management System**

Seven & i Holdings has established the Security Management Office under the direct control of the representative director as an organization that oversees information security for the entire group. The office prepares and disseminates to all group companies policies, attached rules, guidelines, and other documents related to information security and personal information protection. The office also supports Group companies in establishing information security management systems (ISMS), training security personnel, and developing monitoring systems, thereby strengthening overall information management.

The Group Information Management Committee of Seven & i Holdings, which oversees the Group, works with the information management committees of each company to establish and continuously improve management systems that respond to changes in the environment, including the planning, promotion, and management of information security-related measures. In addition, we promote thorough implementation of technical security measures through specialized subcommittees under our control to further ensure safety.

Risks related to information security and the status of these activities are regularly reported to the Board of Directors for advice and instructions.

- > More details about our Basic Policy on Information Security can be found here
- > More details about our Personal Information Protection Policy can be found here

Board of Directors

Representative Director

Information
Management
Committee

Group
Committee

Group
Lafernation Management Chaipperson: Information Management Supervisor
Committee

Board of Directors

Information
Management
Committee

Board of Directors

President & Representative Director

Information security management system

#### Compliance with International Standards

Seven & i Holdings has established information security rules and regulations with reference to ISO 27001, an international certification standard related to information security, NIST (National Institute of Standards and Technology) Cyber Security Framework, CIS (Center for Internet Security) Controls, and so on.

Seven & i Holdings and its group companies have established and are operating an information security management system (ISMS) based on these rules to control information security risks such as leakage, falsification, and service suspension of information assets. Through continuous improvement of this management system, we strive to maintain the confidentiality, integrity, and availability of our information assets.

In addition, major locations and related departments of our operating companies that deal with customers' personal information have been assessed and certified by a third-party organization for their ISMS organizational structure, and we are in the process of expanding the scope of certification.

#### Accident and Emergency Response Related to Information Security

Seven & i Holdings has established a reporting line among Group companies through the "Material Fact Reporting Guidelines," and has built a system to ensure the reliable communication of information and minimize damage and impact. In the unlikely event of an incident or suspicious event related to information security, we will strive to report it appropriately and without delay to the victim and all related parties in accordance with our reporting obligations under laws and regulations.

In the event of a serious incident, we promptly report it to the President and Chief Executive Officer and the Chief Information Management Officer.

#### Training to Raise Awareness of All Executives and Employees

Seven & i Holdings believes that to ensure the appropriate handling of personal information and confidential information in daily work, it is necessary for every executive and employee to understand the importance of information security, to raise their awareness of information security, and, on top of that, to have the knowledge required for accurate judgement and conduct. Seven & i Holdings provides education several times a year about the latest trends in information security and personal information protection, management systems, and general information security measures for directors, managers, and general employees. These educational materials are also being rolled out to all Group companies as part of our efforts to ensure that all executives and employees of the Seven & i Group can acquire the same level of knowledge, and so that they are equipped with the ability to think and act on their own initiative.

In particular, the threat of cyberattacks by means of targeted email attacks is increasing day by day, meaning that regular training simulating responses to actual attacks is essential. Seven & i Holdings sends multiple patterns of mock email to all executives and employees of the Group and strengthen their ability to respond through actual experience of how to discern suspicious email and how to respond should such email be received.

#### **Initiatives to Ensure Security for IT Services**

IT services without appropriate security measures are at an increased risk of cyberattacks. In particular, a service that holds large amounts of personal data has the potential to lead to increased damage in the case that information leaks occur.

At Seven & i Holdings, the Group Security Management Office conducts security reviews prior to system releases to ensure prescribed levels of security quality are maintained for the information system.

In addition, vulnerability assessments are conducted before system releases or to coincide with modifications. These are performed under a mechanism to check for the presence of serious vulnerabilities with the potential to become the source of cyberattacks, with corrections implemented in advance of the release if vulnerabilities are found.

#### **Strengthening of Cybersecurity Countermeasures**

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

#### Establishment of special organization and outside collaboration

As a special organization responsible for cybersecurity, we have set up the 7&i Computer Security Incident Response Team (7&i CSIRT), and have put systems in place designed to minimize impacts from security incidents by analyzing their causes and formulating responses in cooperation with the incident response contact points at Group companies. We also endeavor to have in-house organizational systems in place for the detection of issues such as cyberattacks and suspicious logins.

In order to be able to respond speedily to cyberattacks and so on, we collaborate with such outside organizations as the Japan Computer Emergency Response Team Coordination Center (JPCERT/CC) and the Nippon CSIRT Association, sharing information with them on cyberattacks, countermeasure trends, etc. In addition, we implement education and training for the incident response contact points at Group companies premised on a cybersecurity incident or accident at least twice per year, to support improvements in their ability to respond.

## **Human Rights Initiatives**

#### **CSuO Message: Pursuit of a Society where Everyone Respects Human Rights**

In the spirit of "Trust and Sincerity" as stated in our Corporate Creed, Seven & i Group believes that the human rights of all stakeholders including customers, business partners, shareholders, local communities, and employees, are of paramount importance. We respect the human rights of all activities and aim to realize a society where human rights are respected, without tolerating unjust discrimination or harassment based on social status, nationality, race, ethnicity, tenet, religion, age, gender, sexual orientation, gender identity, mental or physical disability, or any other reasons.

In order to understand the human rights of all people and fulfill our responsibility to respect human rights, we established the Seven & i Group Human Rights Policy on October 7th, 2021 based on international principles and standards on human rights\*. This policy applies to all executives and employees, and we continuously encourage all of our business partners to support this policy and work together to respect human rights.

We establish a human rights due diligence mechanism in accordance with procedures set forth in the UN Guiding Principles on Business and Human Rights, and strive to prevent or mitigate any negative impact on human rights. In promoting this policy and implementing human rights due diligence, we establish a group-wide organization at Seven & i Holdings and promote initiatives to respect human rights under the supervision of its board of directors.

We operate grievance mechanisms appropriately, including an internal reporting system, to prevent human rights violations and to provide access to remedies for those who have been negatively impacted. We will not tolerate or tacitly condone human rights violations by the Group companies or business partners, and if we receive a report or allegation that human rights are not being respected, we will appropriately investigate the matter and take steps to correct it or encourage them to do so.

We continue to report publicly our efforts and activities to respect human rights to all our stakeholders as needed to ensure transparency and act responsibly to achieve a sustainable society where human rights are respected.

April 14th, 2023 Seven & i Holdings Co., Ltd. Senior Managing Executive Officer Representative Director Chief Sustainability Officer Junro Ito

- \* The International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights)
- $\cdot$  The ILO Declaration on Fundamental Principles and Rights at Work
- The UN Guiding Principles on Business and Human Rights
- The OECD Guidelines for Multinational Enterprises
- The Ten Principles of the UN Global Compact
- The Children's Rights and Business Principles

#### Seven & i Group Human Rights Policy

In the spirit of "Trust and Sincerity" as stated in our Corporate Creed\*<sup>1</sup>, Seven & i Group\*<sup>2</sup> (hereinafter "we" or "us") supported by all stakeholders including customers, business partners, shareholders, local communities, and employees, engages in business activities that contribute to the development of quality in the daily life and society. All our business activities rely on the people and society. To understand the human rights of all people and fulfill our responsibility to respect human rights, we set forth Seven & i Group Human Rights Policy in Octorber, 2021.

This policy, along with our Corporate Creed, is the foundation for all business activities of the Seven & i Group. We also believe that respect for human rights is inseparable from the preservation of the global environment, which should be shared with future generations. Through the implementation of this policy, along with our environmental declaration, "GREEN CHALLENGE 2050," we work with our stakeholders to create sustainable society where human rights are respected.

- \*1 "Seven & i Group" refers to Seven & i Holdings Co., Ltd. and its consolidated subsidiaries collectively.
- \*2 Corporate Creed: We aim to be a sincere company that our customers trust.

We aim to be a sincere company that our business partners, shareholders and local communities trust

We aim to be a sincere company that our employees trust.

#### Seven & i Group Human Rights Policy >

#### **Promotion Framework**

The Human Rights Promotion Project has been established as a cross-Group organisation to promote the Human Rights Policy in the Group, and ongoing efforts are being made to implement it. The project involves the chairpersons of each of the four subcommittees under the CSR Management Committee (the Corporate Ethics and Culture Subcommittee, the Supply Chain Subcommittee, the Compliance Subcommittee, and the Environmental Subcommittee), as well as the Human Rights Education Center. The project promotes human rights due diligence initiatives, including identification of business-specific human rights issues, corrective actions, regular monitoring, and information disclosure. Meetings of the Human Rights Promotion Project develop plans of human rights initiatives and review the progress.

The Corporate Ethics and Culture Subcommittee under the CSR Management Committee regularly shares the progress on efforts related to human rights education. It advances activities aimed at having all employees of Group companies correctly understand and recognize human rights, along with fostering a corporate culture free of discrimination or prejudice. The Supply Chain Subcommittee under the CSR Management Committee requests that suppliers understand the Seven & i Group's approach to human rights and implement ongoing initiatives. The Compliance Subcommittee promotes the practice of employees' words and actions that respect the human rights of our suppliers. The Environmental Subcommittee promotes procurement activities that respect human rights based on sustainable procurement principles and policies.

In addition, the Human Rights Education Center conducts various awareness-raising and educational activities in cooperation with the human resource departments and CSR promotion departments of each Group company.

These human rights initiatives are reported and shared at the biannual meetings of the CSR Management Committee.

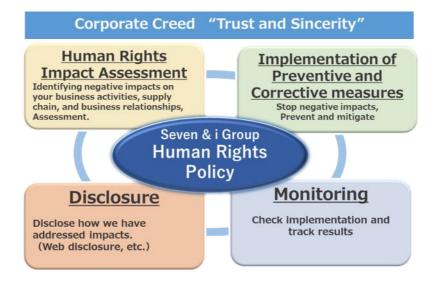


#### **Human Rights Due Diligence**

We have a human rights due diligence mechanism in accordance with procedures set forth in the UN Guiding Principles on Business and Human Rights and OECD Due Diligence Guidance for Responsible Business Conduct, and strive to prevent or mitigate any negative impact on human rights.

If it becomes clear that our business activities have caused or contributed to human rights abuse, we will work to correct and remedy the situation. Even if our business activities have not caused nor contributed to human rights abuse but if our products or services have been directly linked to the impacts through business relationships, we will encourage our business partners to correct and remedy the situation.

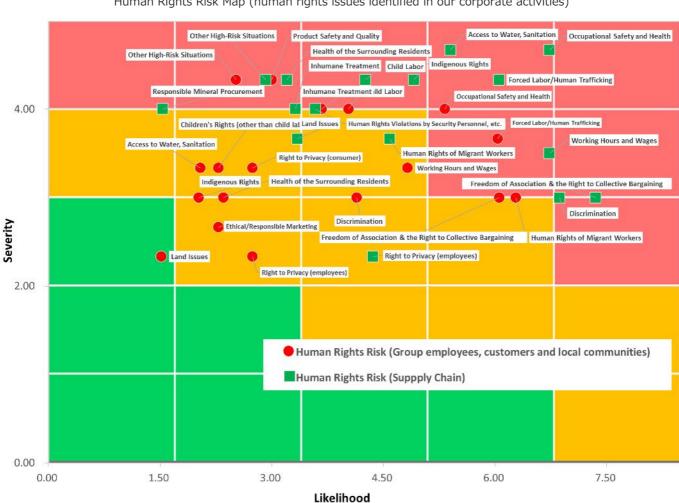
Human Rights Due Diligence Process



#### **Human Rights Impact Assessment**

We recognize that its business activities may have an impact on human rights. We are committed to identifying the causes of negative impacts on people and society, and to reduce and remedy the negative impacts we identify.

In 2022, we conducted an assessment of the potential negative human rights impacts of our operations and those of our business partners. We conducted interviews and surveys of our own company and supply chain to identify human rights issues. We evaluate human rights risks and mitigate the risks by calculating and mapping the severity and likelihood of occurrence of the identified human rights issues based on human rights risk indicators published by international organizations and others. The identification of such human rights issues is conducted with the support and advice of external experts.



Human Rights Risk Map (human rights issues identified in our corporate activities)

- \* For each human rights issue, " Possibility of Occurrence" and "Severity" were calculated and mapped.
- \* In calculating the possibility of the likelihood of human rights issues in each country, we used indicators published by international organizations such as BHRRC and ESG Data Model.
- \* For severity, scores were calculated based on scale, scope, and irremediability.

More detail of the Human Rights Risk Assessment can be found here >

#### **Implementation of Preventive and Corrective measures**

We identify human rights issues (and countries/regions) that we will focus on preventing and responding to. For those high-priority human rights issues identified we implement corrective measures within the group as well as education, training, and other activities aimed at prevention. For human rights issues in the supply chain, we continuously engage in dialogue and consultation with relevant stakeholders and disseminate guidelines to improve and enhance our efforts to respect human rights, and take corrective measures when risks become apparent.

#### **Human Rights Awareness and Training**

Seven & i Group offers a variety of educational activities and employee training with the aim of creating a corporate culture in which everyone respects the human rights of all customers, business partners, people in local communities, and colleagues, and in which people are aware of all types of discrimination and prejudices and do not discriminate against others or tolerate such behavior.

Since 1987, we have joined the Tokyo Human Rights Awareness Corporate Liaison Committee (name at the time of joining, "Tokyo Corporate Liaison Committee for the Dowa Issue") which comprises of 122 companies (as of April 2023), mainly companies headquartered in Tokyo. Through participation in the monthly conferences, we are working to further enhance human rights education and our awareness-raising system while mutually studying with member companies.

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

#### **Provide Education and Training to Employees**

Seven & i Group companies provide awareness training to employees, including managers and part-time employees, on a variety of human rights issues such as basic approaches to human rights and harassment prevention.

In the fiscal year ending February 28, 2023, we are conducting e-learning on human rights for all employees to raise awareness of respect for human rights within all stakeholders. In addition, Seven & i Holdings is working to promote employee understanding through the utilization of our human rights awareness handbook "Human Rights for Everyone—Let's Start by Learning" and "Normalization Support Guide" to further support the education of Group companies.

\* Human rights e-learning implemented in FY2022: 19 companies, approx. 12,000 participants

For example, Ito-Yokado conducts level-specific human rights awareness training when employees join the company or are assigned to a new store or local store, with training content matching job responsibilities. Employees come to recognize that human rights issues are easily happened in everyday life, and the training includes specific examples such as power harassment and sexual harassment as well as new developments and issues so that employees can apply what they learn to their daily activities. Seven-Eleven Japan and Seven & i Create Link also conduct basic human rights awareness training in a timely manner.

- \* Human rights awareness training conducted in FY2022: 6 companies, approx. 600 participants
- \* Harassment e-learning implemented in FY2022: 16 companies, approx. 11,000 participants

In addition, York educates all the employees on how to assist visually impaired persons and wheelchair users by using online video materials as they can access and learn at any convenient time.

We also conduct compliance training for suppliers and product development and procurement personnel of the Group companies to reduce and mitigate human rights issues in the supply chain. In the fiscal year ending February 28, 2023, we conducted online compliance training for suppliers and employees both internally and externally, with approximately 4,600 participants.

Further information about compliance training for suppliers can be found here >

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

#### Improvement of Workplace Environment and Systems

We have organized various working environments and implemented systems to reduce human rights risks within our group. We are proactively implementing initiatives for normalization, improvement of occupational health and safety, and diversity in order to create a pleasant and rewarding work environment for our employees.

#### **Human Rights Slogan Contest**

To create a corporate culture in which each employee's human rights are respected in accordance with the Corporate Action Guidelines, each year the Seven & i Group solicits human rights slogans from all employees, including part-time employees, and their family members. In the process of coming up with human rights slogans, opportunities are created for employees to think about human rights, which raises their awareness of human rights issues. The most excellent slogans selected from among those submitted are announced to the employees through the Group's internal newsletter and on the intranet website, and are awarded prizes. The contest was held for the 32th time in the fiscal year ending February 28, 2023, and 21,292 slogans were received, marking yet another year with a large number of submissions. The slogans emphasized reconsidering the importance of human rights, touching on everything from personal feelings in one's daily life to musings from a broader perspective.

#### Awareness-Raising Activities for Supply Chain

Seven & i Group places the highest priority on respecting and protecting human rights, and we ask our suppliers to understand and implement the Seven & i Group Business Partner Sustainability Action Guidelines. We hold briefing sessions on the Seven & i Group Business Partner Sustainable Action Guidelines and CSR audits in China and South East Asia, where CSR risks are considered to be high, only through live and on-demand distribution. Approximately 660 participants from 492 companies took part in the live broadcast.

The Seven & i Group Business Partner Sustainable Action Guidelines can be found here >

#### **Monitoring**

In order to identify negative human rights impacts of our corporate activities and to promote continuous improvement, we conduct monitoring both within the Group and the supply chain, as well as collect internal and external information.

#### **Employee Engagement & Culture Surveys**

Seven & i Group conducts an employee engagement survey targeting employees of the Seven & i Holdings as well as Group companies. The survey includes questions asking people if they respect diversity or have seen or heard about problematic employee behavior in the workplace, and checks whether the human rights are respected in line with the Corporate Action Guidelines. The survey conducted in the fiscal year ending February 28, 2023, targeted approximately 72,000 employees working at 32 Group companies in Japan.

More details of the Employee Engagement & Culture Survey can be found here >

#### Assessment of Suppliers by Self-Check Sheet

To ensure that suppliers understand the Seven & i Holdings Business Partner Action Guidelines, Seven & i Group administers a self-check sheet for suppliers that explains all of the specific requirements for compliance. The self-check sheet contains 61 questions, including human rights-related questions. For example, the questions ask whether or not factory employees have access to consulting desks and whether or not the company requests that its own suppliers comply with the Seven & i Holdings Business Partner Action Guidelines. Responses are entered into a database, and the data are used in the process for determining whether to continue doing business with the suppliers.

Further information about the self-check sheet for suppliers can be found here >

#### CSR Audits of Suppliers' Manufacturing Factories

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

A third-party organization conducts the audits in line with Seven & i Holdings' original audit, which covers topics such as human rights and the work environment (16 categories and 117 check items). This was prepared by making reference to sources such as the ISO 26000 standard, the Japanese Business Federation's Charter of Corporate Behavior, and the OECD Guidelines for Multinational Enterprises. In the fiscal year ending February 28, 2023, CSR audits were conducted at 846 factories in 13 countries.

Further details about CSR audits of suppliers can be found here >

#### **Questionnaire Survey for Suppliers**

From the fiscal year ended February 28, 2017, the Seven & i Group has conducted questionnaire surveys of suppliers to confirm whether the speech and behavior of employees toward suppliers follow the Seven & i Holdings Corporate Action Guidelines. In these surveys, suppliers reply to questions anonymously. In the fiscal year ending February 28, 2023, a total of approximately 10,900 representatives of suppliers responded to questionnaire surveys issued by Group companies.

More details of questionnaire survey for suppliers can be found here >

#### Disclosure of Information to our stakeholders

We regularly disclose our commitment to respect for human rights through our website, management reports, and other means of communication.

Further information about Seven & i Management Report (Integrated Report) can be found here

#### **Grievance Mechanism and Remedies**

Seven & i Holdings has established the Groupwide Employee Helpline as an internal whistleblowing system for employees of our operating companies in Japan, their families, and retirees, to prevent conduct that could result in loss of public credibility and to ensure early detection, early remediation, and recurrence prevention. This is also a system that can be used in the event of human rights issues.

In addition, we have established a "Business Partner Helpline," as an internal whistleblowing system for consultation and reporting by directors, employees, and former employees of suppliers of domestic group companies. The helpline is operated by a third party with whom we have concluded an outsourcing agreement and a confidentiality agreement, thus the privacy of the person making the report or consultation is strictly protected. Upon receiving a report or consultation, we will confirm the facts and resolve the issue, if necessary, after obtaining the consent of the person consulting. In addition, the operation rules of the reporting desk stipulate that no disadvantageous treatment will be given to the person consulting or to those who cooperate in confirming the facts.

The Audit & Supervisory Board Hotline has been in operation since February 2019 for the purpose of receiving reports independent of management related to actions that could potentially result in the loss of social trust in which the directors, members of the Audit & Supervisory Board, executive officers, and other members of management for Group companies in Japan are suspected of being involved, and investigating them. When the Company receives a report, it quickly confirms the facts, and the members of the Seven & Holdings Audit & Supervisory Board work together with the members of operating company Audit & Supervisory Boards to correct any violations that are found and strive to prevent a recurrence.

Further information about the Groupwide Helpline can be found here >

Further information about the Business Partner Helpline can be found here >

Further information about the Audit & Supervisory Board Member Hotline can be found here >

### **Human Rights Risk Assessment**

#### **Human Rights Risk Assessment Objectives**

The Seven & i Group (hereinafter referred to as "we") respects the human rights of all people and engages in business activities that contribute to the development of society together with all stakeholders based on the spirit of "trust and integrity" set forth in our corporate motto. In order to respect the human rights of all people in our value chain, we established the "Group Human Rights Policy" in 2021 and are working to respect the human rights of all people through our core business activities. We support the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO International Labor Standards, the UN Guiding Principles on Business and Human Rights, and ISO 26000, and are a signatory to the UN Global Compact. We recognize that our business activities may impact human rights, and we are committed to establishing a system of human rights due diligence in accordance with procedures based on the UN Guiding Principles on Business and Human Rights, to resolve human rights issues, and to help realize a sustainable society. In resolving human rights issues, we have identified the human rights challenges of key stakeholders related to the Group's business activities.

- > More details of the Seven & i Group Human Rights Policy can be found here
- > More details of the Seven & i Group Human Rights Initiatives can be found here

#### **Human Rights Risk Assessment Process**

Step.1 Organize stakeholders in the value chain and human rights issues

While taking into account the Group's value chain and business activities, we identified human rights risks and organized human rights issues based on interviews with each of the Group's operating companies and the results of CSR audits.

Step.2 Human rights risk assessment within the Group and its supply chain

Human rights risk assessments were conducted for the businesses of major group companies (14 businesses) and business partners (122 businesses).

Step.3 Creating a Human Rights Risk Map

Based on the human rights risk assessment, a severity score and a likelihood of occurrence score were calculated for each human rights issue and mapped to each.

Step 4: Information Disclosure

The process and results of Steps 1-3 were made publicly available on the website.

■ External Review and Evaluation Criteria Throughout the entire process, we exchanged views and obtained advice from experts in the field of human rights. In identifying and assessing negative impacts, we utilized the Business and Human Rights Resource Centre (BHRRC) database and conducted research on internationally identified human rights issues in the industry.

#### Method for Calculating Score of Severity and Likelihood

A list of human rights issues related to the Group's major businesses was compiled and each human rights issue was mapped on an axis of severity and likelihood of occurrence.

#### ■ Severity

As described below, a severity score was calculated for each human rights issue by examining and scoring three factors: (1) size, (2) scope, and (3) difficulty in remedying the issue.

#### • Process 1

- 1.Scale: severity of negative impacts that may occur -Possibility of multiple fatalities or injuries per accident if risk materializes
- 2.Scope: Number of people who may be negatively affected (or percentage of target stakeholders who may be affected) The potential impact on employees, customers, local residents, and civil society if the risk materializes, and the number and percentage of such employees, customers, local residents, and civil society if the risk materializes.
- 3.difficulty of remedy: constraints in restoring the negatively affected person to the pre-affected state or to a state equivalent to the pre-affected state if the risk has materialized, whether it is difficult to recover in time or whether monetary remedy is available.
- Process 2 The three elements are rated on a 5-point scale from Very Low to Very High for each human rights issue.
- Process 3 The average score of the factors was used as the severity score for each human rights issue.

#### ■ Likelihood

The likelihood of occurrence was calculated for each human rights issue as follows

- Process 1: Potential human rights challenges in each country Scope of countries: Countries where the company and its group companies are based and where 7-Eleven stores under license agreements are located (21 countries) Research the likelihood of each human rights issue occurring in each country based on the following information
- · Human rights risk indicators by country published by international organizations, etc.
- For human rights issues not covered by the above indicators, the number of incidents of human rights violations by country for each human rights issue, as published by the Business and Human Rights Resource Center (BHHRC).
- The likelihood of occurrence is converted into a score on a scale of 0 to 10 (0 being low risk and 10 being high risk).
- Process 2: Country-specific weighting
- The number of issues that are likely to occur in each country is further adjusted to your company's actual situation.
- · Weighting adjustments were made to achieve values
- · Weighting is based on total number of employees Scores are calculated by weighting the 10 scores by the above weights.
- Process 3: Fine-tuning for each human rights issue
- · Adjustment of the potential/apparent occurrence of each human rights issue in the Group, based on business characteristics and interview results.
- Process 4: Calculation of likelihood score

Calculation of likelihood score Country-specific likelihood of occurrence scores for each weighted human rights issue and in Work 3. Manifested/potential human rights issues in the supply chain, organized by issue. The total score for the likelihood of occurrence of each human rights issue by country is calculated by summing the scores of the likelihood of occurrence of each human rights issue by country. Calculate Score

## Step.1 Organize Stakeholders in the Value Chain and Human Rights Issues

The following human rights issues are plotted on the risk map by stakeholder.

Employees	Customers	Local Community
Forced Labor/Human		Health of the Surrounding
Trafficking	Ethical	Residents
Child Labor	Responsible Marketing	Land Issues
Discrimination	Children's Rights (other than child labor)	Large-scale Resettlement
Inhumane Treatment	Right to Privacy	Access to Water, Sanitation
Freedom of Association and the		
Right to Collective Bargaining	Product Safety and Quality	Indigenous Rights
		Human Rights Violations by
Working Hours		Security Personnel, etc.
		Responsible Mineral
Wages		Procurement
Occupational Safety and Health		Situations other than the above
Immigrant Worker		
Treatment of Foreign Workers		
Right to Privacy		

Step.2 Human Rights Risk Assessment within the Group and its Supply Chain

		Severity **1		Likelihood *2	
	Human Rights Issue	7&i Group	Supply Chain	7&i Group	Supply Chain
	Forced Labor/Human Trafficking	3.67	4.33	6.04	6.05
	Child Labor	4.00	4.33	4.04	4.26
	Discrimination	3.00	3.00	4.14	6.87
Em	Inhumane Treatment	4.00	4.00	3.67	3.32
Employees	Freedom of Association & the Right to Collective Bargaining	3.00	3.00	6.06	7.35
es	Working Hours and Wages	3.33	3.50	4.83	6.73
	Occupational Safety and Health	4.00	4.67	5.33	6.73
	Human Rights of Migrant Workers	3.00	3.67	6.28	4.59
	Right to Privacy (employees)	2.33	2.33	2.74	4.36
C	Ethical/Responsible Marketing	2.67		2.29	
Customers	Children's Rights (other than child labor)	3.33		2.29	
ner	Right to Privacy (consumer)	3.33		2.74	
0,	Product Safety and Quality	4.33		3.00	
	Health of the Surrounding Residents	3.00	4.33	2.35	3.21
00	Land Issues	2.33	3.67	1.52	3.34
al C	Access to Water, Sanitation	3.33	4.67	2.04	5.40
Local Community	Indigenous Rights	3.00	4.33	2.02	4.91
	Human Rights Violations by Security Personnel, etc.		4.00		3.59
2	Responsible Mineral Procurement		4.00		1.54
	Other High-Risk Situations	4.33	4.33	2.52	2.92

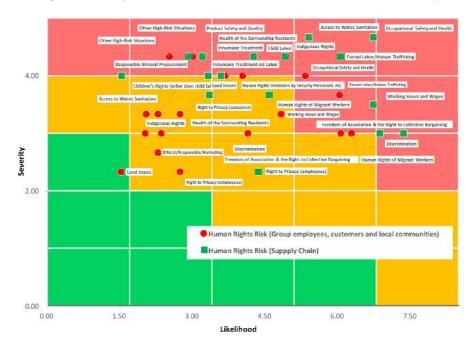
 $<sup>\</sup>ensuremath{\%1}$  The severity is converted into a score on a scale of 0 to 5 (0 being low risk and 5 being high risk)

<sup>\*2</sup> The likelihood is converted into a score on a scale of 0 to 10 (0 being low risk and 10 being high risk)

### Step.3 Creating a Human Rights Risk Map

Each human rights issue was mapped for the company and its supply chain, with severity on the vertical axis and likelihood of occurrence on the horizontal axis.

For identified high-risk human rights issues, specific measures to reduce risk will be considered and implemented.

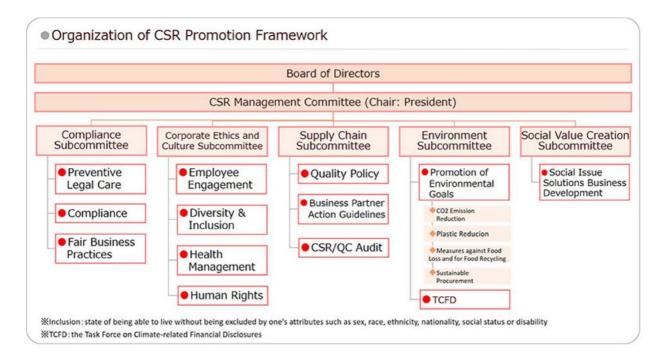


## **Sustainability Management**

Seven & i Holdings works toward solving social issues in its core operations through promotion and development of businesses such as products and services. At the same time, we aim for sustainable development that creates value for both companies and society.

#### **Sustainability Promotion Framework**

Seven & i Holdings seeks to promote Group-wide sustainability activities that are effective and efficient. To this end, we hold regular, twice-yearly meetings of the CSR Management Committee, which is chaired by the President and Representative Director. At these meetings, we offer guidance and make improvements based on reports received from the five subcommittees. The meetings also help to strengthen the framework of collaboration between the holding company and operating companies.



#### **Compliance Subcommittee**

The Group employees complying with laws, regulations and social norms and practicing compliance including fair trade with customers and business partners is absolutely essential to realizing the Group's Corporate Creed "Trust and Sincerity." In addition to reinforcing thorough compliance at each Group company level, Seven & i Holdings established the Compliance Subcommittee in order for Seven & i Holdings, being the shareholding company, to support each Group company strengthen its compliance systems, as well as ensure effective supervision thereby. The Compliance Subcommittee is chaired by the head of the Corporate General Affairs & Legal Division of Seven & i Holdings. The division in charge of legal affairs at the Company manages the subcommittee to promote specific measures.

## **Corporate Ethics and Culture Subcommittee**

The Group employees understanding the Group's Corporate Creed and rigorous implementation of the Corporate Action Guidelines are an essential and important foundation to realize the Group's Corporate Creed "Trust and Sincerity." The Corporate Ethics and Culture Subcommittee conducts initiatives based on rigorous implementation of the Corporate Action Guidelines, such as to improve Group employee awareness through education by making everyone aware of the Corporate Creed and the Corporate Action Guidelines. In addition to these initiatives, to create fulfilling workplaces, Seven & i Holdings have been conducting an Employee Engagement Survey. We are also working to improve work environments, such as by rectifying long working hours, making progress on promoting active roles for diverse human resources including women and people with disabilities, and helping employees balance work and family care responsibilities. Further, Seven & i Holdings is working to create an environment where all employees can work at ease, such as by encouraging employees to take days off on holidays and acquire leave. The Corporate Ethics and Culture Subcommittee is chaired by the head of the Human Resources Division of Seven & i Holdings. The division in charge of human resources at the Company manages the subcommittee to promote specific measures.

For details about the Seven & i Group Corporate Action Guidelines >

## **Supply Chain Subcommittee**

It is one of the important corporate social responsibilities for companies and also a strong demand by stakeholders to promptly respond to the United Nations' "Guiding Principles on Business and Human Rights" and "Sustainable Development Goals (SDGs)," and to build a sound supply chain with human rights and the environment in mind. To improve product quality and ensure safety at each Group company, Seven & i Holdings aims to establish and strengthen the quality levels and control systems of each Group company based on the Group's Quality Policy. Furthermore, to ensure that Seven & i Holdings meets its social responsibilities regarding products and services across the entire supply chain, Seven & i Holdings asks business partners to understand and implement the Business Partner Sustainable Action Guidelines. Seven & i Holdings regularly verifies and shares their compliance through CSR audits to promote education, enlightenment and correction. The Supply Chain Subcommittee is chaired by the Executive Officer and Chief Merchandise Officer (CMDO) of the Seven & i Holdings Group Merchandise Strategy & Planning Division. The subcommittee is managed by the division in charge of product strategies at the Group to promote specific measures.

For details about the Quality Policy >

For details about the Seven & i Group Business Partner Sustainable Action Guidelines >

## **Environment Subcommittee**

The Group uses products, raw materials and energy efficiently to combat challenges such as climate change and resource depletion, and the Group is working with customers and business partners to reduce the environmental impact throughout the supply chain. Seven & i Holdings believes this is an important factor that contributes to the sustainable development of society and will result in the sustainable growth of the Group. Therefore, based on the GREEN CHALLENGE 2050 approved by the Board of Directors in April 2019 and announced in May 2019, the Environment Subcommittee is working to promote initiatives to develop a decarbonized society, a circular economy, and a society in harmony with nature. Based on recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), it is analyzing the risks and opportunities of climate change and deepening the Group's initiatives. The Environment Subcommittee is chaired by the Executive Officer and head of the Sustainability Development Department of the ESG Development Division of Seven & i Holdings, and is managed by the department in charge of environmental measures of the Group to promote specific measures.

## **Social Value Creation Subcommittee**

Based on an awareness that efforts to solve social issues will lead to new business opportunities as the Group expands its business domains and related social problems become increasingly varied, the Social Value Creation Subcommittee takes action to create business that generates social and economic value (creating shared value; CSV). Aiming to realize a sustainable society, the Seven & i Group has identified seven material issues that it must address through engagement with various stakeholders. In response, the Social Value Creation Subcommittee is working to plan and execute new businesses originating from social issues to be addressed through core businesses by leveraging business characteristics and management resources, including the Group's business infrastructure and expertise cultivated to date. Apart from this, the subcommittee will strive to deepen initiatives with a view to fostering external collaboration with business partners, social entrepreneurs, NPOs, and other partners. The Social Value Creation Subcommittee is chaired by the Senior Managing Executive Officer, Representative Director, and head of the ESG Development Division of Seven & i Holdings, and is managed by the division in charge of management planning to promote specific measures.

## **Targets and Progress by Each Subcommittee**

 $\bigcirc$ : Achieved,  $\triangle$ : Almost achieved,  $\times$ : Far from achieved

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

Enforcement of compliance (2) Interview operating companies Implemented interviews and Implement interviews on on compliance issues and confirmation of the occurrence compliance issues and response response status (25 of compliance issues and the status companies) status of responses and Conduct compliance e-learning improvements at operating Conduct compliance e-learning companies (26 companies) Compliance e-learning Number of course takers: 4,162 (Total number of course takers: 9,087) Number of courses: 5 Enhancement of preventive legal functions Interview operating companies Implemented interviews and • Implement interviews on on compliance issues and confirmation of compliance compliance issues and response response status (25 system issues and status companies) countermeasures including preventive measures at operating companies (26 companies) Strengthen the internal reporting system (4) Establish a system as Established regulations, • Establish a system as necessary necessary in accordance with detailed rules, and operating in accordance with the the amended Whistleblower amended Whistleblower rules in accordance with the Protection Act amended Whistleblower Protection Act Protection Act (came into effect Conduct training using an

outside instructor for Group

company internal reporting

system staff (at least once a

year)

June 1)

Conducted training using an

outside instructor for Group

company internal reporting

system staff (October: 80 people underwent training)

- Conduct training using an outside instructor for Group company internal reporting system staff (at least once a year)

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## Corporate Ethics and Culture Subcommittee

- (1) Thoroughly ensure compliance with Corporate Action Guidelines
- Focus on awareness and permeation of the Corporate Creed and Corporate Action Guidelines when educating employees and help them take root
- In the Employee Engagement and Culture Survey , regularly monitor status of compliance with the Corporate Action Guidelines
- Hold workshops at some companies to instill our principles
- Confirmed status of compliance with the Corporate Creed and Corporate Action Guidelines when conducting Employee Engagement and Culture Surveys Compliance with the Corporate Action Guidelines: 92% (Fulltime employees)
- Focus on awareness and permeation of the Corporate Creed and Corporate Action Guidelines when educating employees and help them take root
- In the Employee Engagement Survey, regularly monitor status of compliance with the Corporate Action Guidelines

## (2) Create fulfilling workplaces

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

- Diversified participants in opportunities for Group companies to meet at the same time, shared information on case studies, and encouraged measures for improvement
- Establishment of opportunities for dialogue with employees at many Group companies and proposal and implementation of measures to enhance meaningful work and ease of work
- Development of an Employee
   Engagement Survey in the form of
   the Employee Engagement and
   Culture Survey and addition of seven
   questions (including integrity, respect
   of autonomy, encouragement of
   taking on challenges, and openness)
   to measure the status of culture at
   each worksite in addition to
   engagement with the company
   Target: 32 Group companies, about
   72,000 people
   Engagement score: 51% (up 1%
   from the previous year)

\*Scores are figures for monthly

salary employees

- Continue sharing information on case studies to enhance engagement at Group companies
- Conduct ongoing dialogue with employees to promote activities while repeatedly investigating, proposing, implementing, and verifying measures to enhance meaningful work and ease of work
- Conducting Employee
   Engagement and Culture
   Surveys (November)

0

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

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

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

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

Thorough implementation of Business Partner Action Guidelines (2) Live broadcast and on-demand Live broadcast of Business Continue briefings on the distribution of Business Partner Action Guidelines and **Business Partner Action** Partner Action Guidelines and CSR audit briefings (viewed by Guidelines and CSR audits CSR audit briefings (for Japan 668 persons at and 492 and overseas) companies) Live broadcast: March Reported on CSR audit results On-demand distribution: and held study sessions on March-November audits at meetings attended by Conduct briefings on the managers and staff of **Business Partner Action** departments in charge of Guidelines and CSR audits for product development and in-house purchasing personnel procurement at each Group (June, October, and January) company (total of three times; 285 participants) Conducted on-demand Divide compliance seminars Continue compliance seminars into 10 courses and provide distribution of Business Partner Translate content into multiple Action Guidelines and CSR audit on-demand distribution of languages and reinforce more practical content briefings to enable access at explanations at overseas including specific case studies any time factories Prepared content on eight topics including occupational safety and health, and business and human rights (accessed by 480 companies; total of 14,698 page views) Conduct CSR audit Conducted CSR audits of those Continue CSR audits Overseas: 350 factories in factories that manufactured China and Southeast Asia Seven Premium products and Domestic: 500 factories that private brand products of Group produce Seven Premium companies in China and \*May shrink due to the effects Southeast Asia (13 countries)  $\bigcirc$ of COVID-19 that conducted large-scale transactions and had high levels of importance Overseas: 322 factories in China and Southeast Asia Domestic: 535 factories

#### **Environment Subcommittee** (1) Initiatives for achieving a decarbonized society Apply for SBT certification Conducted third-party Conduct third-party verifications of CO2 emissions verifications of CO2 emissions Conduct third-party at 12 companies at 12 companies verifications of CO2 emissions at 15 companies Installed solar power Install solar power generation generation panels at 8,823 panels at more than 9,000 Install solar power generation Group stores Group stores panels at more than 9,000 Group stores Expanded procurement of Expand procurement of renewable energy through offrenewable energy through off- Expand procurement of site PPA site PPA renewable energy through offsite PPA Start demonstration tests on the use of renewable energy with supply chain companies to reduce CO2 emissions Initiatives for achieving a circular economy (2) Switched to SEVEN CAFÉ containers Implement environmental Introduce trays with responses at SEVEN CAFÉ that used less petroleum-derived environmentally-friendly inks and coloring designs nationwide and Implement environmental It was expected that at the time of simultaneously conduct responses for Seven-Eleven nationwide expansion, CO2 measures to gain the dairy products reduction would be approximately understanding of customers 800 tons annually Promoted recycling by using uncolored containers Started demonstration testing of using environmentallyfriendly designed trays at 7-Eleven stores in Hokkaido Encourage resource recycling Expanded installation of PET Expand installation of PET with customers by expanding bottle collection machines to bottle collection machines installation of PET bottle 3,174 machines (an increase of encourage resource recycling collection machines 1,076 machines from the Plan demonstration tests for previous year);

approximately 470 million

Installation of baby bottle

Honpo and start of

recycling (August)

bottles collected and recycled

collection boxes at Akachan

demonstration tests of resource

Implement demonstration

resource recycling

tests of new in-store collection

methods to conduct plastic

recycling

 $\bigcirc$ 

collection of plastic containers

that are difficult to recycle with

an eye toward chemical

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

## **CSR Training for Employees**

Seven & i Holdings provides employees with CSR training via group training when they join the company or are appointed to a new position through promotion or advancement in rank, in addition to using such means as company newsletters and the Sustainability Data Book.

Study groups, seminars, and the like are held regularly for specialized fields including compliance, diversity and inclusion, and the environment, and information about volunteering is communicated to employees through the internal portal site. We have been conducting CSR training via e-learning for all employees at domestic Group companies. In the fiscal year ending February 28, 2023 as well, we implemented e-learning on the Antimonopoly Act (abuse of superior bargaining position), the Subcontracting Act, product labeling, and other topics for all employees who are associated with business partners. An e-learning about the Group's environmental declaration "GREEN CHALLENGE 2050" was also conducted.





## **Risks and Opportunities Related to Sustainability**

Various problems and issues related to the environment and society constitute risks that threaten a company's sustainability, but the act of endeavoring to solve such issues leads to new business opportunities. Seven & i Holdings identifies risks and opportunities related to seven material issues, and works to reduce risk levels while striving to realize a sustainable society alongside sustainable corporate growth by creating new business models for solving social issues. We have therefore created the Corporate Action Guidelines and other policies, and established the cross-group CSR Management Committee and its subcommittees, the Compliance Subcommittee, Corporate Ethics and Culture Subcommittee, Supply Chain Subcommittee, Environment Subcommittee, and Social Value Creation Subcommittee. Specific measures are considered through these committees.

## Material Issues, and Main Risks and Opportunities

#### Material Issue 1

## Create a livable society with local communities through various customer touchpoints

#### **Risks**

Decline in sales opportunities from decrease in the infrastructure of daily life, leading to population decrease, depopulation, aging population

Failure to open new stores as planned because of insuffi cient coordination with local communities resulting in inability to provide new value, etc.

## **Opportunities**

Gain stakeholder trust through expanded social role as infrastructure for daily life

Increase sales opportunities through community revitalization, etc.

#### Material Issue 2

## Provide safe, reliable, and healthier merchandise and services

#### **Risks**

Loss of customers because of merchandise issues or in-store accidents

Decline in trust due to violations of laws such as quality control and labeling

Loss of customers from delayed development of health-related merchandise, etc.

## **Opportunities**

Increase customer loyalty through rigorous safety and quality control

Expand sales opportunities by offering healthoriented merchandise and other new merchandise that matches customers' needs, etc.

#### Material issue 3

## Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

#### **Risks**

Physical damage to stores/distribution network due to increase in natural disasters caused by climate change

Sharp increases in purchasing prices due to changes in demand and supply or changes in prices of crude oil and other raw materials caused by unusual weather

Loss of customers due to corporate image with a large environmental footprint in areas including food waste and greenhouse gas emissions, etc.

#### **Opportunities**

Cut costs by saving energy, reducing waste, recycling, changing energy sources

Create brand value as a company at the forefront of environmental measures, etc.

#### **Material Issue 4**

## Achieve a society in which diverse people can actively participate

#### **Risks**

Damage to corporate image, loss of customers, decline in employee engagement from tolerance of discrimination and prejudice

Difficulty in retaining human resources, outflow of human resources, etc.

## **Opportunities**

Acquire future customers and develop new services through dialogue with and development of the next generation, the young generation, and people with various values, etc.

#### **Material Issue 5**

## Improve work engagement and environment for people working in Group businesses

#### **Risks**

Decline in employee engagement from lack of improvement in work environments

Difficulty in retaining human resources, outflow of human resources, etc.

#### **Opportunities**

Promote diversity to enhance competitiveness

Increase productivity by enhancing employees' skills and autonomy

Develop new businesses and acquire talented personnel, etc.

#### Material Issue 6

## Create an ethical society through dialogue and collaboration with customers

## **Risks**

Inability to offer new value through merchandise and services from delayed response to changes in consumer lifestyles and diversifi cation of values, etc.

## **Opportunities**

Expand sales opportunities by offering merchandise and services addressing ethical consumption

Work with customers to increase customer loyalty, etc.

#### **Material Issue 7**

## Achieve a sustainable society through partnerships

#### **Risks**

Interruption of merchandise supply, deterioration of merchandise quality, or boycotts associated with labor environment or human rights problems or compliance violations in the supply chain, resulting in loss of social trust, etc.

#### **Opportunities**

Increase resilience through sustainable raw material procurement

Provide new merchandise and services in cooperation with business partners, other industries, same industry, etc.

## **Response Based on TCFD Recommendations**





## **Introduction: Our Vision of Society**

Our Group has various points of contact with customers, including food, clothing, housing, and financial services. We have about 22,800 stores in Japan, which are visited by more than 22.2 million people every day. Our business rests on the pedestal of our position as part and parcel of the daily lives of customers. To make local communities sustainable, we have identified, as material issues,\*1 social issues that should be solved in a priority manner through our main businesses. In our Medium-Term Management Plan 2021-25,\*2 we have committed ourselves to the promotion of sustainable management.

#### \*1 Seven & i Group Material Issues >

#### \*2 Medium-Term Management Plan 2021-25 >

Among the material issues, through our Response to Climate Change (3. Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts), we will undertake initiatives to prepare for and prevent climate change that threatens the daily lives of customers and local communities, such as natural disasters, which are increasing in number, and the procurement of product raw materials, which is becoming increasingly unstable. To accelerate these initiatives on material issues, in May 2019 we issued the "GREEN CHALLENGE 2050" environmental declaration,\*3 which outlines a roadmap for the society we are aiming for in the years 2030 and 2050.

#### \*3 "GREEN CHALLENGE 2050" environmental declaration >

In this environmental declaration, we have set medium- to long-term goals in four fields—reduction of CO<sub>2</sub> emissions, measures against plastic, measures against food loss/waste and for organic waste recycling, and sustainable procurement -toward a transition to three forms of society, namely, a decarbonized society, a circular economy, and a society in harmony with nature.

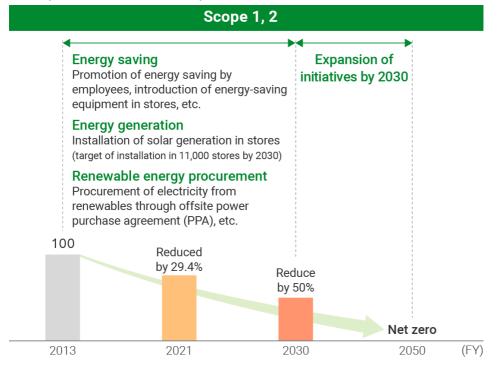
In scenario analyses in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have identified the climate-change risks and opportunities relating to the realization of a transition to these three forms of society expected as of 2030 by business entity. We are studying measures to reduce the risks and maximize the opportunities and are promoting the linkage of these measures with management strategy. For details on analysis results, strategies based on these results, governance related to climate change, our risk management structure, and so on, please see the relevant sections on this page.

## **Transition Plan**

Our Group announced the "GREEN CHALLENGE 2050" environmental declaration in 2019. In this declaration, we outlined a roadmap toward reducing  $CO_2$  emissions from our store operations in Japan to net zero in 2050 and also our aim to reduce  $CO_2$  emissions in the entire supply chain, including Scope 3. To promote these initiatives, we have incorporated environmental investment (expansion of solar panels, introduction of energy-saving equipment, etc.) in our management strategy in the Medium-Term Management Plan 2021–25.

We are scheduled to periodically update the roadmap relating to  $CO_2$  emissions to take account of scientific progress, regulations, and so forth. (Targets were revised upward in 2020 and 2021.)

Roadmap toward a decarbonized society



## Scope 3

Through joint efforts with our business partners, the promotion of measures to reduce plastic waste and food loss/waste set forth in "GREEN CHALLENGE 2050," and so on, we aim to reduce our emissions in the entire supply chain, including not only our own emissions (Scopes 1 + 2) but also Scope 3.

## **Energy saving**

Promotion of energy saving by employees, introduction of energy-saving equipment in stores, etc.

## **Energy generation**

Installation of solar generation in stores (target of installation in 11,000 stores by 2030)

## Renewable energy procurement

Procurement of electricity from renewables through offsite power purchase agreement (PPA), etc.

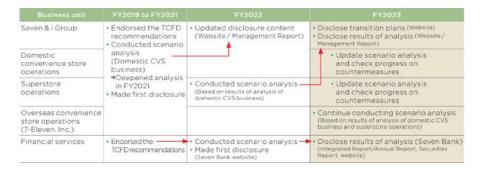
### Expansion of initiatives by 2030

Through joint efforts with our business partners, the promotion of measures to reduce plastic waste and food loss/waste set forth in "GREEN CHALLENGE 2050," and so on, we aim to reduce our emissions in the entire supply chain, including not only our own emissions (Scopes 1 + 2) but also Scope 3.

## TCFD-Related Background and Future Implementation Plans

The Seven & i Group expressed our agreement with the TCFD recommendation in August 2019 and also joined the TCFD Consortium, established so that companies, financial institutions, and others can work together to promote initiatives. In FY2019–21 we implemented a scenario analysis targeting domestic convenience store operations (Seven-Eleven Japan) and disclosed the analysis results, enabling us to gain certain suggestions regarding risks peculiar to the convenience store operations. In the fiscal year ended February 28, 2023, as a domestic operation with the same geographical conditions, we implemented a scenario analysis of the superstore operations (Ito-Yokado, York-Benimaru, York) and disclosed the results. In the fiscal year ending February 28, 2024, judging that we could go ahead with an analysis of our overseas operation more effectively and efficiently by effectively utilizing the results of the scenario analyses in our domestic operations, we are in the process of promoting a scenario analysis of 7-Eleven, Inc.

Furthermore, as an initiative relating to natural capital, we have expressed our agreement with the principles of the Taskforce on Nature-related Financial Disclosures (TNFD), and we participated in the TNFD Forum and the Corporate Engagement Program of the Science Based Targets Network (SBTN) in January and February 2023, respectively. We are promoting preparations for analysis and disclosure based on the TNFD framework.



Below we explain the four disclosure categories recommended by the TCFD in the order of metrics and targets, strategy, governance, and risk management.

## Metrics and Targets Related to Climate Change

In May 2019, the Group formulated its environmental declaration "GREEN CHALLENGE 2050." In "GREEN CHALLENGE 2050," we have set the following specific themes: reduction of  $CO_2$  emissions, measures against plastic, measures against food loss/waste and for organic waste recycling, and sustainable procurement. The goals are to achieve decarbonization, circular economy, and society in harmony with nature.

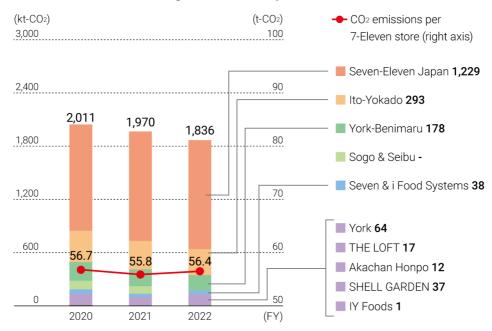
Toward the Paris Agreement's goal for the world of limiting global warming to 1.5°C compared with pre-industrial levels, we have set the numerical targets of reducing CO<sub>2</sub> emissions stemming from the Group's store operations to 50% compared with the FY2013 level in 2030 and to achieve net zero emissions in 2050. We have also set detailed numerical targets for other themes, and we are promoting initiatives for achieving them and monitoring their progress. In the scenario analysis for each business entity, the substantial scale of damage due to natural disasters has become clear. Already in Japan as well, abnormal weather conditions are occurring, such as increases in localized torrential rain and typhoon damage, and many local governments have issued climate emergency declarations. In order to curb the risk of natural disasters caused by climate change, once again we renew our determination to collaborate with local communities and other stakeholders to make efforts to limit global warming to 1.5 degrees Celsius compared with pre-industrial levels by achieving the targets of "GREEN CHALLENGE 2050."

State of progress of "GREEN CHALLENGE 2050" by each of the four fields >

Environmental data of the Group and operation companies >

GHG emissions of scope 3 >

## CO<sub>2</sub> 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.

\*Calculated based on the Seven & i Holdings Environment-Related Data Calculation Report Manual stipulated in accordance with the Act on Rationalizing Energy Use and the Act on Promotion of Global Warming Countermeasures

## Strategy: Implementation of Scenario Analysis

Scenario analyses based on the TCFD recommendations are implemented at the business entities of our Group. The latest analysis results and response measures for each business entity can be viewed at the following websites:

- $\cdot$  Domestic Convenience Store Operations (Seven-Eleven Japan) >
- Superstore Operations (Ito-Yokado, York-Benimaru) >
- \*Our superstore operations were reorganized in September 2023, with York merging into Ito-Yokado
- Financial Services (Seven Bank) > \*Announced on the Seven Bank website

The following is a summary of scenario analysis results until the fiscal year ended February 28, 2023. We publicize the climate-change risks and opportunities that are important for our Group.

## **Analysis assumptions**

Cooppie	Decarbonization scenario (1.5°C-2.0°C) / Warming scenario
Scenario	(2.7°C-4.0°C)
	In addition to the physical impact on stores, the analysis will cover costs in
Analysis	store operations and merchandise supply chain issues (raw materials,
scope	factories manufacturing merchandise, merchandise shipping) that
	significantly affect store operations, and customer behavior
Target year	Impact as of 2030

In scenario analyses at each business entity, mindful that the 1.5°C target has become the mainstream worldwide, we implemented analyses consistent with this 1.5°C target. Specifically, we set two scenarios, a "decarbonization scenario (1.5°C–2.0°C)" and a "warming scenario (2.7°C–4.0°C)," with reference to reports on future forecasts and other materials issued by governments and international organizations, including STEPS\*1, APS\*2, and NZE2050\*3, indicated in the World Energy Outlook of the International Energy Agency (IEA). We analyzed the impact of climate change taking account also of predicted business growth rates as of 2030.

- \*1 STEPS: Stated Policies Scenario. It is one of the scenarios shown in the IEA's World Energy Outlook 2019 and reflects decarbonization policies and targets that had been publicized so far.
- \*2 APS: Announced Pledges Scenario. This scenario assumes that all climate-related commitments made by governments announcing long-term targets of net zero emissions are fulfilled in full and on time.
- \*3 NZE2050 : Net Zero Emissions by 2050. It is one of the scenarios shown in the IEA's World Energy Outlook 2020. Surpassing the Paris Agreement target, this scenario aims for net zero  $CO_2$  emissions before 2050 toward achievement of the 1.5°C goal.

## Significant transition risks and countermeasures: Decarbonization scenario (1.5°C-2.0°C)

## Significant transition risk: The carbon tax impact

Transition risks were considered based on the decarbonization scenario in which various regulations and other measures are introduced to achieve the 1.5°C target. Of these, for each business entity we analyzed the impact of the carbon tax through the introduction of carbon pricing, which is projected to have the biggest impact. The following is an explanation of the expected impact on the domestic convenience store operations and superstore operations.

### Carbon tax impact (2030)

Item	Business impact
Total of two operations	¥20.0 billion
Domestic convenience store operations	¥12.6 billion
Superstore operations	¥7.4 billion

Assumption: Carbon tax: \$135/ton-CO<sub>2</sub> (Maximum amount given in the IEA's World Energy Outlook 2022)

• Foreign exchange rate: ¥131.62/\$ (Rate used in financial statements for the term ended February 2023)

For our estimate, with reference to the IEA's World Energy Outlook 2022, we calculated the impact of carbon tax at the maximum amount of \$135/ton-CO<sub>2</sub> as of 2030. By putting our shoulders to the wheel to promote initiatives based on the targets outlined in our "GREEN CHALLENGE 2050" environmental declaration, we can substantially reduce the carbon tax burden in 2030. Furthermore, by achieving net zero CO<sub>2</sub> emissions, we expect that eventually the carbon tax burden will be eliminated altogether.

## Main countermeasures for a decarbonization scenario

As approximately 90% of the Group's  $CO_2$  emissions are attributable to electricity use from store operations, the three initiatives of energy savings, energy generation, and procurement of renewable energy are being pursued to reduce emissions. We also aim to reduce emissions throughout the supply chain, including Scope 3 emissions.

## (1) Energy savings

Reduction of electricity use through employees' efforts to save energy and the adoption of energy-saving equipment

#### (2) Energy generation

The generation and use of renewable energy through onsite solar panels; solar panels have been installed at more than 8,000 Group stores and will be installed in 11,000 Group stores by 2030.





Test store for saving, generating. And storing energy (7-Eleven Misato Hikonari 2-chome store)

Rooftop solar panels (Ario Ichihara store)

After reducing  $CO_2$  emissions as much as possible through energy savings and energy generation, we will use procurement of renewable energy from offsite sources to further reduce emissions.

#### (3) Procurement of renewable energy

We are expanding cooperation with various electric power companies, including an offsite power purchase agreement (PPA) with the Hokuriku Electric Power Group.



#### News releases other information related to countermeasures

2023.6 Seven-Eleven to start full-scale demonstration test of new energy-efficient stores equipped with advanced facilities to save, generate, and store energy (in Japanese) >

2023.4 Beginning demonstration test with supply chain companies on reducing  $CO_2$  emissions through the use of renewable energy (in Japanese)  $\rightarrow$ 

2023.2 Signing of "agreement on promoting carbon neutrality and cooperation in the event of a large-scale power outage due to a natural disaster" using York-Benimaru stores in Nasushiobara City, Tochigi Prefecture (in Japanese) >

2022.6 Hokuriku Electric Power Group and Seven-Eleven Japan held a ceremony to mark the completion of the Hokuden BEST Technoport Fukui Solar Power Plant, a project for the local production and local consumption of renewable energy (in Japanese) >

For more details of our initiatives, refer to the Seven & i website.

Climate Change Countermeasures >

Supply Chain Management >

## Significant physical risks and countermeasures: Warming scenario (2.7°C-4.0°C)

## Significant physical risks: Damage from natural disasters

In terms of physical risks, natural disasters caused by extreme weather pose the greatest risk. It is difficult to predict when and where natural disasters will occur, and once they do, they can cause extensive damage. We are basing countermeasures for each business on the premise that weather phenomena such as heavy rainfall will occur with greater frequency and intensity and cause increasingly worse natural disasters such as flooding, so we estimate the impact of losses due to store and merchandise damage, loss of sales due to store closures, restoration costs, etc., to inform those countermeasures.

## Impact on Seven-Eleven Japan stores (domestic convenience store operations)

Assumption: The amount of damage is estimated for flood damage to stores in the Tokyo metropolitan area (assuming flooding of the Arakawa River) as of 2030

- \* Estimated based on past flood damage
- \* To ascertain the extent of damage, estimates are made without considering insurance coverage

Item	Business impact
Store damage, merchandise	
damage, loss of sales due to	¥11.2 billion
closures, restoration cost, etc.	

### Impact on Ito-Yokado and York-Benimaru (superstore operations)

Assumption: The amount of damage as of 2030 is estimated assuming a disaster of similar scale to 2019 (Typhoon No. 19).

- \* Estimates are based on actual damage from the 2019 disaster and forecasts of an increased frequency of disasters and floods
  - \* To ascertain the extent of damage, estimates are made without considering insurance coverage

Item	Business impact
Store damage, merchandise	
damage, loss of sales due to	¥5.5 billion
closures, restoration cost, etc.	

## Main countermeasures to damage from natural disasters

Seven & i Holdings will strive to quickly reopen its stores and establishments in the event of a natural disaster as part of enhanced disaster response to continue serving as regional relief bases for local customers offering infrastructure, evacuation locations, etc. The following measures are being taken to address the increasing risk of natural disasters.

- Establish early recovery systems (such as 7VIEW)
- · Continue operations in the event of a disaster with "Phase Free (a concept of securing an adequate quality of life, regardless of phases such as daily life and emergencies)" facilities, including improved performance of storage batteries and preparation of fuel reserves for emergency supply delivery
- Create a strategy and stores that anticipates flooding (preventing flood damage by expanding the installation of watertight panels and guard pipes)
- · Establish disaster-resilient logistics bases and supply networks
- · Develop disaster bases utilizing store infrastructure through disaster management agreements, etc.



7VIEW (system for sharing information in the event of a disaster)

Number of comprehensive alliance agreements with local governments (by operating company)

	As of the end	As of the end	As of the end
	of February 28,	of February 28,	of February 28,
	2021	2022	2023
Seven-Eleven Japan	194	223	230
Ito-Yokado	56	79	78
York-Benimaru	10	11	14
York Mart	4	4	4
Seven & i Food Systems	3	3	3
Total	267	320	329

News releases related to countermeasures, etc.

2023.2 Signing of "agreement on promoting carbon neutrality and cooperation in the event of a large-scale power outage due to a natural disaster" using York-Benimaru stores in Nasushiobara City, Tochigi Prefecture (in Japanese) >

Initiatives as Social Infrastructure (7VIEW: Seven-Eleven Japan website) (in Japanese) >

Disaster Assistance (Seven & i website) >

We shall not forget: 10 years after the Great East Japan Earthquake (Seven & i website) (in Japanese) >

Significant physical risks: Increase in raw material cost due to changes in weather patterns

Assuming that climate change will lower harvest yields for raw materials and increase the purchase price accordingly, we foresee a significant financial impact on our business entities. For both domestic convenience store and superstore operations, the raw materials selected for analysis were chosen on the basis of the composition of purchase price and availability of future information. (Targets of analysis will be expanded in the future.)

Item	Business impact	
Domestic convenience store operations Raw materials	¥5.7 billion	
cost increase for rice, laver, and livestock products		

Assumption: Estimated increases in raw material costs as of the fiscal year ending February 28, 2031 due solely to lower yields resulting from climate change

\* Yield changes are estimated from data provided by the Ministry of Education, Culture, Sports, Science and Technology; the Ministry of the Environment; the Japan Meteorological Agency; the National Institute for Environmental Studies; the National Agriculture and Food Research Organization, etc.

## Main countermeasures to increase in raw material costs due to changes in weather patterns

Under our environmental declaration "GREEN CHALLENGE 2050," we set sustainable procurement as a specific theme—ensuring that food ingredients used in our original products are guaranteed sustainable, and we are taking the following measures with our suppliers to work toward a society that is in harmony with nature.

- Expand the lineup of eco-certified marine products (MSC, ASC, MEL, etc.) and eco-certified agricultural products (GAP, etc.)
- · Disperse and consolidate production sites of raw materials
- · Utilize digital technology and AI
- Ensure stable procurement through the expansion of raw material procurement from weather-resistant sources, such as vegetable factories, land-based aquaculture, etc.



Indoor vegetable factory exclusively for Seven-Eleven Sagamihara Vegetable Plant by Prime Delica Co., Ltd.

## News releases related to countermeasures, etc.

2023.7 "Mirai Deli" products will be launched nationwide on July 14 offering sustainable raw material procurement and new product value (in Japanese) >

Mirai Deli website (in Japanese) >

2022.10 Seven & i Holdings obtains MSC/ASC CoC certification and begins selling certified seafood processed in-store at 461 stores in its three superstore companies (in Japanese) >

Sustainable Procurement of Raw Materials >

## Business opportunities and main countermeasures for both scenarios

### Business opportunities for the decarbonization scenario

In this scenario, we see changes in consumer awareness as a business opportunity. As consumers develop a strong interest in sustainable products and services in line with government policy and trends toward carbon neutrality, we believe that our current efforts will lead to opportunities and further accelerate those efforts. The following initiatives being promoted under our environmental declaration "GREEN CHALLENGE 2050" are good examples.

#### · Initiatives in consideration of the environment with "Seven Premium"

"Seven Premium," the private brand for the entire Group, is engaged in developing products that are both high in quality and environmentally friendly. We are actively promoting eco-friendly products at the Group's stores to generate awareness of such products and create opportunities for customers to consider the environment with us in a way that may lead to action.

#### 2023.6 Promoting environmental initiatives with the "Seven Premium" (in Japanese) >

## · Initiatives to reduce CO2 emissions

As electric vehicles (EVs) become more common on the roads in the decarbonization scenario, we believe that offering EV charging services at a greater number of Seven-Eleven and superstore parking lots will create more customer traffic. The Seven & i Group has installed approximately 2,800 chargers for EVs and plug-in hybrid vehicles (PHVs) as of the end of February 2022, and we plan to further expand this fee-based charging service in the future.



Ito-Yokado parking lot

## Initiatives for measures against plastic

We believe that converting the containers and packaging used for our original products to environmentally friendly materials and promoting PET bottle collection and recycling will attract public attention and create more customer traffic. Taking measures against plastic is one of the initiatives specified in our environmental declaration "GREEN CHALLENGE 2050." We have set targets to convert the containers and packaging used for our original products (including Seven Premium) to 50% environmentally friendly materials by 2030 and 100% by 2050, thereby reducing the burden on the environment from waste plastic.

## Introduction of Environmentally Friendly Packaging (Seven & i website) >

For the collection of plastic PET bottles, 3,174 collection machines have been installed at Seven-Eleven convenience stores and superstores as of the end of February 2023, and the equivalent of approximately 470 million PET bottles were collected in the fiscal year ended February 28, 2023. The collected bottles are recycled into new PET bottles and other products in Japan through a "closed-loop" recycling system.

	FY2019	FY2020	FY2021	FY2022	
Amount					
recovered	9,740	8,700	10,800	12,400	
(tons)					
Number					
installed	820	1,001	2,098	3,174	
(Units)					



#### Initiatives for sustainable procurement

We are expanding our lineup of sustainable products that have acquired official certifications such as MSC, ASC, and MEL certifications for marine products and GAP certification for agricultural products, which we hope will attract public attention and create more customer traffic.

As part of developing a society in harmony with nature, an ideal stated in our environmental declaration "GREEN CHALLENGE 2050," we have set targets for sustainable procurement. The Group aims to guarantee the sustainability of the food ingredients used in our original products (including Seven Premium) to a rate of 50% by 2030 and 100% by 2050.

In addition to promoting the acquisition of GAP certification\* in cooperation with producers, for example, Ito-Yokado and York-Benimaru also sell private label vegetables such as "Fresh Foods with Traceability" (Ito-Yokado) and "Mitsuboshi Agricultural Products" (York-Benimaru), which deliver select, domestically-sourced vegetables grown with guaranteed safety, reliability, and deliciousness. These efforts are designed to disclose information about safe, environmentally sound products—who produces them, where, and with what motivations.

\* Good Agricultural Practice (GAP) is a certification given to producers who engage in sustainability efforts in agriculture, awarded through third-party inspection.





Number of employees in the Seven & i Group with JGAP instructor qualifications

	FY2021	FY2022
No. of employees	62	139
with JGAP instructor qualifications	02	139

<sup>\*</sup> Total for JGAP fruits and vegetables and livestock

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

Sales of Ito-Yokado's "Fresh Foods with Traceability"

	FY2019	FY2020	FY2021	FY2022
Amount of sales* (billion	22.8	24.6	24.3	24.8
yen)	22.0	24.0	24.5	24.0

<sup>\*</sup> Approximate figures

## Sustainable Procurement of Raw Materials (Seven & i website) >

## Business opportunities for the warming scenario

In this scenario, we see changes in customer preferences and consumer behavior due to rising temperatures as business opportunities in the following ways.

- · Consumers' heightened awareness of disaster mitigation will increase demand for disaster preparedness products
- · Increased sales of products that people wish to have in hot weather (cooling products)
- The frequency of outings will decrease caused in hot weather, so e-commerce services such as delivery business and Net Supermarkets will flourish



Ito-Yokado Net Supermarket, Shin-Yokohama Center (opened in August 2023)

## **Governance Related to Climate Change**

The Seven & i Group considers the issue of climate change to be one of the most important issues to be tackled across the Group companies. We have therefore established a governance structure centered on the CSR Management Committee and supervised by the Board of Directors.

The Board of Directors receives reporting from the Sustainability Development Department that is a secretariat for the CSR Management Committee on our efforts for sustainability including climate change issues at least once a year, supervises their progress and the status of achieving the goal, and reviews our policies and efforts as appropriate. In December 2020 and May 2021, the Board of Directors made a resolution to revise our  $CO_2$  emission reduction target in our environmental declaration "GREEN CHALLENGE 2050" to 50% by 2030 and zero emission by 2050 in line with current international trends aiming at the 1.5 °C target and the decision of the Government of Japan for the net zero goal in 2050. In addition, we have added a target of reducing  $CO_2$  emissions set in the environmental declaration "GREEN CHALLENGE 2050" that was formulated in May 2019 to the key performance indicator (KPI) for stock-based compensation as a non-financial indicator in compensation of Directors since fiscal year ended February 28, 2021.

\* For the target level of the amount of CO<sub>2</sub> emissions for each fiscal year as the KPI for the stock-based compensation, it will be the target level for each fiscal year calculated based on the assumption of the actual amount of emission for the fiscal year ended February 28, 2019 to be equally reduced for each fiscal year to achieve the target level for the fiscal year ending February 28, 2031 (reducing emissions from Group store operations by 50% compared to the fiscal year ended February 28, 2014).

The CSR Management Committee, chaired by Representative Director and President of Seven & i Holdings, meets twice a year, attended by CSR managers from Group companies (Representative Director and President, etc.) and managers from related divisions at Seven & i Holdings. Under the CSR Management Committee, the Environment Subcommittee has been established as a subcommittee to deal with climate change issues. The Environment Subcommittee consists of managers from the environmental departments of operating companies. In addition, when we announced the environmental declaration "GREEN CHALLENGE 2050" in May 2019, we established CO<sub>2</sub> Emissions Reduction Team to create innovations across the Group to reduce CO<sub>2</sub> emissions. This team is headed by executive officers or higher from responsible departments at our main operating companies.

The CSR Management Committee receives reports on trends in indicators related to climate change issues, such as CO<sub>2</sub> emissions, and on initiatives mainly for mitigation measures. The Committee approves measures implemented by the subcommittees and each group company, and provides necessary advice. The progress of such sustainability-related initiatives, including those related to climate change, is reported to the Board of Directors at least once a year.

#### Sustainability promotion framework >

### Governance structure related to climate change



### Meetings and roles related to climate change

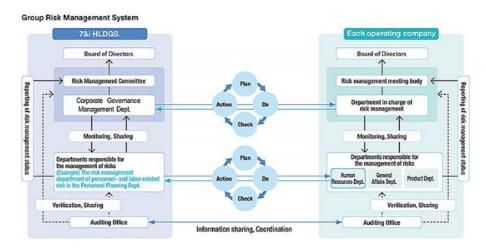
Meeting	Role	Member			
	• Receive reports at least once per year regarding progress on climate change issues	• Directors			
Board of Directors	and achievement of targets; supervise efforts	· Audit & Supervisory Board Members			
Directors	• Review and decide on policies and important	Members include internal and Outside Directors with extensive knowledge and experience in sustainability			
CSR Management Committee	<ul> <li>Meet twice a year</li> <li>Share trends in climate change-related indicators (such as CO<sub>2</sub> emissions), and mitigation and adaptation measures</li> <li>Approve and advise on initiatives implemented by the Environment Subcommittee and Group companies</li> </ul>	Chair: Director and President of the Company     Members: CSR managers from Group companies     (Representative Director and President, etc.) and managers from CSR-related divisions of the Company			
Environment	<ul><li>Subcommittee of CSR Management Committee</li><li>Meet twice a year</li></ul>	Chair: Executive Officer in charge of Sustainability     Development Department of the Company			
Subcommittee	• Promote response to climate change issues	•Members: CSR department managers and managers of departments involved in climate change response			
	• Promote response to TCFD recommendations	measures at Group companies			

## **Risk Management**

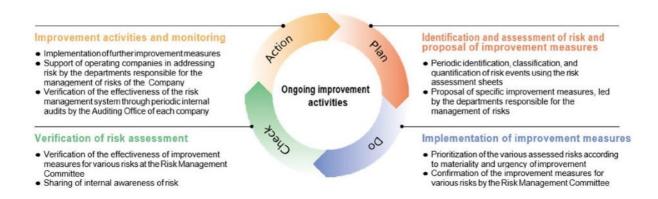
Seven & i Group has established a risk management system with the Risk Management Committee at its core, based on the basic rules for risk management. Each Group company identifies its own risks based on the Group's common risk classification and the risk assessment sheets, and assess them both quantitatively and qualitatively taking into account their degree of impact and likelihood of occurrence. The risks and measures to deal with them are reported to the Risk Management Committee. The risk assessment sheets include risks related to climate change such as CO<sub>2</sub> emission regulations.

The Risk Management Committee, which meets twice a year, comprehensively identifies the Group's risk situation based on the risk assessments and countermeasures submitted by each company, and continuously monitors its risk management system and countermeasures\*2. The status of such risk management and judgments concerning material risks are reported annually to the Board of Directors.

\*1 Group risk management system (excerpt from Risk Factors in the Seven & I website)



\*2 PDCA for risk management (excerpt from Risk Factors in the Seven & I website)



## **Future Responses to TCFD Recommendations**

Going forward, we will update our scenario analyses in line with the state of the world and increase the number of operating companies subject to analysis, both domestically and overseas. We will take into account the entire supply chain as we continue to quantitatively identify risks and opportunities and develop and implement practical countermeasures. We will work on initiatives to limit the global temperature increase to less than 1.5°C by 2100, thereby leaving a prospering planetary environment to future generations.

Domestic Convenience Store Operations (Seven-Eleven Japan) >

## Superstore Operations (Ito-Yokado, York-Benimaru) >

\* Our superstore operations were reorganized in September 2023, with York merging into Ito-Yokado.

### Financial Services (Seven Bank) >

\*Presented on the Seven Bank website

# Domestic Convenience Store Operations Strategy (Scenario Analysis)

## **Operating Company: Seven-Eleven Japan**

In October 2019, the Group participated in the "Project to Support Climate Risk / Opportunity Scenario Analysis in Accordance with TCFD" of the Ministry of the Environment. The analysis covered the domestic store management of Seven-Eleven Japan, which accounts for about 60% of the Group's operating income (as of 2019). We disclosed the results on our website for the first time in June 2020. In fiscal year ended February 28, 2022, we further deepened our analysis by developing substantive countermeasures and quantified risks and opportunities, in addition to our previous analysis.

## **Scenario Analysis Assumptions**

Analysis assumptions (fiscal year ended February 28, 2022)

Scenario	Decarbonization scenario (1.5°C-2.0°C) / Warming scenario			
Relevant project	Operation of Seven-Eleven Japan stores in Japan			
	In addition to the physical impact on stores, the analysis will			
Analysis	cover costs in store operations and merchandise supply chain			
	issues (raw materials, factories manufacturing merchandise,			
scope	merchandise shipping) that significantly affect store operations,			
	and customer behavior			
Target year	Impact as of 2030			

In this scenario analysis, mindful that the 1.5°C target has become the mainstream worldwide, we implemented analyses consistent with this 1.5°C target. Specifically, we set two scenarios, a "decarbonization scenario (1.5°C–2.0°C)" and a "warming scenario (2.7°C–4.0°C)," with reference to reports on future forecasts and other materials issued by governments and international organizations, including STEPS,\*1 SDS,\*2 and NZE2050,\*3 indicated in the World Energy Outlook of the International Energy Agency (IEA). We analyzed the impact of climate change as of 2030.

- \*1 STEPS: Stated Policies Scenario. This scenario reflects decarbonization policies and targets that have been so far publicized.
- \*2 SDS: Sustainable Development Scenario. This scenario assumes that clean energy policies and investments will increase toward the achievement of the 2°C scenario targeted by the Paris Agreement, and that the energy supply system will progress smoothly toward the achievement of the Sustainable Development Goals.
- \*3 NZE2050 : Net Zero Emissions by 2050. Surpassing the Paris Agreement target, this scenario aims for net zero CO<sub>2</sub> emissions before 2050 toward achievement of the 1.5°C goal.

## **Scenario Analysis Structure**

For this analysis, Seven-Eleven Japan launched an internal project to formulate practical countermeasures and accurately quantify business impact, with its directors bearing that responsibility. 10 departments whose activities are affected by climate change participated. Discussions were held in each department regarding risks and opportunities and countermeasures, enabling analysis that is consistent with actual conditions, which helped to enhance our preparedness for climate change.

Analysis structure (with participation of department heads and other duties supervisors)



## Significant Risks and Opportunities, and Countermeasures

Approximately 160 risks and opportunities were submitted as a result of discussions within each department regarding specific risks and opportunities that could affect Seven-Eleven Japan 's business. The assessment referenced each risk and opportunity presented in the TCFD recommendations as well as international standards such as SASB. We examined the magnitude of the impact of these risks and opportunities on financial aspects such as sales and profits, as well as strategic aspects such as store operations and merchandise procurement. With carbon emissions targets and policies in each country (including the introduction of carbon pricing), changes in consumer preferences, increases in the severity and incidence of extreme weather events, and changes in precipitation and weather patterns, as the items for significant risks and opportunities, we qualitatively and quantitatively evaluated the various impacts on the business of these factors and formulated countermeasures for each.

Approximately 50 countermeasures were designated and classified following repeated discussions at respective departments, for the reduction of risks and expansion of opportunities with regards to countermeasures. Through these discussions, we confirmed that activities to reduce environmental loads being promoted based on the "GREEN CHALLENGE 2050" are effective for both the decarbonization scenario and the warming scenario. Listing of Seven-Eleven Japan's risks and opportunities, and countermeasures

## ♦Transition risks and opportunities (Decarbonization scenario, 1.5°C-2.0°C)

Significar	nt risks	Concrete	Impact	Scenario	Business	Business	Main countermeasures
and oppo	rtunities	examples	Impact	Scenario	risks	opportunities	Main countermeasures
Policies t and a regulation	Carbon emissions targets and policies in each country	of carbon	Operating cost	•A high carbon tax is introduced and a carbon tax burden is imposed in accordance with CO <sub>2</sub> emission volume •Increased costs are expected throughout the supply chain	0		<ul> <li>Promote the reduction of CO<sub>2</sub> emissions through "GREEN CHALLENGE 2050"</li> <li>Support our business partners in their efforts to save energy and expand the use of renewable energy</li> </ul>
		electricity prices	Operating cost	•Increased electricity expenses due to higher retail electricity prices stemming from the introduction of renewable energy and other factors	0		<ul> <li>Develop and install energy-saving equipment at stores</li> <li>Enhance onsite renewable energy installations</li> </ul>
		in shipping	Operating cost	•Fuel costs associated with deliveries decrease amid an increasing shift to EV as delivery vehicles		0	<ul> <li>Increase adoption of EV and other environmentally friendly vehicles</li> <li>Improve fuel efficiency through implementation of eco-driving training based on data acquired from invehicle computers</li> <li>Reduce delivery vehicle fleets by enhancing delivery efficiency</li> </ul>
		Supporting the adoption of EV as delivery vehicles	Operating cost	·Costs incurred due to conversion of delivery vehicles to EV in line with tighter regulations and changes in social environment	0		•Reduce delivery vehicle fleets by enhancing delivery efficiency

		Concrete examples	Impact	Scenario	Business risks		Main countermeasures
Reputation	consumer	Changes in sales due to sales of sustainable merchandise	Sales	·Changes in sales due to sales of sustainable merchandise		Ο	<ul> <li>Introduce environmentally friendly containers and packaging and promote plastic bottle collection and recycling, based on "GREEN CHALLENGE 2050"</li> <li>Expand sales of sustainable merchandise, including the introduction of certified raw materials, based on "GREEN CHALLENGE 2050"</li> </ul>

# ♦ Physical risks and opportunities (Warming scenario, 2.7°C-4.0°C)

	cant risks	Concrete		ng scenario, 2.7°C-4.0°C)	Business	Business	
	portunities	examples	Impact	Scenario	risks	opportunities	Main countermeasures
Acute	Increases in severity, frequency,	Damage	Sales / Operating cost		0	·Increased frequency and intensity of natural disasters; increased losses due to store and merchandise damage caused by natural disasters, loss of sales due to store closures, restoration costs, etc.	Utilize 7view to build a system enabling information gathering and early recovery in the event of a disaster  Prevent flood damage by expanding the installation of watertight panels and guard pipes  Continue operations in the event of a disaster with "Phase Free (a concept of securing an adequate quality of life, regardless of phases such as daily life and emergencies)" facilities, including improved performance of storage batteries  Prepare fuel reserves for emergency supply delivery
		Insurance cost related to natural disasters	Operating cost	<ul> <li>Increased insurance cost related to natural disasters due to increased frequency and intensity of natural disasters</li> </ul>	0		<ul> <li>Mitigate losses using various damage prevention measures</li> </ul>
Chronic	Changes in precipitation	livestock,	Operating cost	·Higher raw material costs and increased procurement costs due to declines in yields and in quality of agricultural, livestock, and marine products	0		<ul> <li>Disperse production sites of raw materials</li> <li>Secure stable procurement by expanding procurement from vegetable factories, land-based aquaculture, etc.</li> <li>Utilize digital technology and AI</li> </ul>
		Increased average temperatures	Operating cost	·Higher average temperatures increase electricity use for air conditioning focused on the summer months and result in higher electricity fee payments			•Develop and install energy-saving equipment at stores

 $<sup>\</sup>ensuremath{^{*}}\xspace$  The scenario with the larger impact was referred to in assessing each business impact.

### (1)Significant transition risks and countermeasures: Decarbonization scenario (1.5°C-2.0°C)

We considered the transition risks and opportunities based on the decarbonization scenario in which various regulations and other measures are introduced to achieve the 1.5°C target. Of these, we estimated the following regarding the impact of the carbon tax system due to the introduction of carbon pricing, which is projected to have the biggest impact.

#### Significant transition risk: Impact of the carbon tax system

Item	Business impact
Carbon tax (2030)	¥12.6 billion

Assumption: Carbon tax: \$135/ton-CO2

(Maximum amount given in the IEA's World Energy Outlook 2022)

· Foreign exchange rate: ¥131.62/\$ (Rate used in financial statements for the term ended February 2023)

In the fiscal year ended February 28, 2022, we calculated the estimated maximum amount of impact from a carbon tax using the assumed tax amount as of 2030 at  $$130/\text{ton-CO}_2$, with reference to the maximum amount in the IEA's World Energy Outlook 2020. The impact of the carbon tax was estimated at <math>$22.1$ billion based on a simple calculation, assuming CO<sub>2</sub> emissions increase in line with the growth of business activities.$ 

We went on in the fiscal year ended February 28, 2023 to re-estimate the financial impact of the carbon tax based on the IEA World Energy Outlook 2022, with the carbon tax as of 2030 set at \$135/ton-CO<sub>2</sub>. This resulted in an estimate of ¥27.5 billion based on a simple calculation assuming CO<sub>2</sub> emissions increase in line with the growth of business activities. However, if we reduce CO<sub>2</sub> emissions to 50% in 2030 (compared to FY2013 levels) as per the target defined in our "GREEN CHALLENGE 2050" environmental declaration, this will reduce carbon taxes by ¥14.9 billion to ¥12.6 billion. Furthermore, we expect that the impact of the carbon tax will eventually be eliminated by promoting efforts to achieve our 2050 net zero emission target.

# **♦**Main countermeasures

We will significantly reduce our carbon tax burden and transition risks such as higher electricity fee payments through efforts to achieve reductions in  $CO_2$  emissions. As approximately 90% of the Group's  $CO_2$  emissions are attributable to electricity use from store operations, the three initiatives of energy savings, energy generation, and procurement of renewable energy are being pursued to reduce emissions. We also aim to reduce emissions throughout the supply chain, including Scope 3 emissions.

Seven-Eleven Japan is focusing the following main activities.

#### 1 Energy savings

Reduction of electricity use through employees' efforts to save energy and the adoption of energy-saving equipment

#### 2 Energy generation

The generation and use of renewable energy through onsite solar panels (solar panels have been installed at 8,823 stores as of the end of February 2023)

We are now in the process of testing various types of equipment related to energy savings, energy generation, and energy storage to reduce CO<sub>2</sub> emissions at Seven-Eleven stores to determine their suitability and effectiveness for more widespread deployment. In June 2023 we initiated a full-scale demonstration test at the 7-Eleven Misato-Hikonari 2-chome store with the goal of reducing the amount of electricity purchased by approximately 60% and CO<sub>2</sub> emissions by approximately 70% compared to FY2013 levels.

We will continue with this project to minimize  $CO_2$  emissions at stores by deploying equipment that saves, generates, and stores energy, and we will procure and utilize renewable energy from offsite sources to even further reduce  $CO_2$  emissions.

• (2023.6)<u>Seven-Eleven to start full-scale demonstration test of new energy-efficient stores equipped with advanced facilities to save, generate, and store energy (in Japanese)</u>



7-Eleven Misato Hikonari 2-chome store (test store for saving, generating, and storing energy)

### 3 Procurement of renewable energy

We are expanding cooperation with various electric power companies, including an offsite power purchase agreement (PPA) in three locations.



Offsite PPA with the Hokuriku Electric Power Group

News releases related to countermeasures, etc.

• (2022.6)Hokuriku Electric Power Group and Seven-Eleven Japan held a ceremony to mark the completion of the Hokuden BEST Technoport Fukui Solar Power Plant, a project for the local production and local consumption of renewable energy (in Japanese).

For more details of Seven-Eleven initiatives, refer to the Seven-Eleven website links.

• Reduced CO<sub>2</sub> Emissions

# (2) <u>Significant physical risks and countermeasures: Warming scenario (2.7°C-4.0°C)</u>

# Significant physical risks: Impacts of natural disasters

Item	Business impact
Store damage, merchandise damage, loss of sales due	¥11.2 billion
to closures, restoration cost, etc.	¥11.2 DIIIIOI1

Assumption: The amount of damage is estimated for flood damage to stores in the Tokyo metropolitan area (assuming flooding of the Arakawa River) as of 2030

\* Estimated based on past flood damage. To ascertain the extent of damage, estimates are made without considering insurance coverage

In the warming scenario, natural disasters caused by extreme weather pose the greatest risk. It is difficult to predict when and where natural disasters will occur, and once they do, they can cause extensive damage. Currently, the occurrence of extreme weather such as heavy rainfall that cause disasters are increasing due to global warming, and this trend would become even more pronounced under this scenario. Based on the extent of damage caused by past disasters, we have estimated the flood damage to stores in the Tokyo metropolitan area, where the greatest damage would be expected. Based on hazard maps from the Ministry of Land, Infrastructure, Transport and Tourism, if the Arakawa River were to flood by five meters or more, the resulting damages including store damage, merchandise damage, loss of sales due to closures, and restoration cost, would amount to ¥11.2 billion.

# ♦ Main countermeasures to impacts of natural disasters

We will strive to quickly reopen its stores and establishments in the event of a natural disaster as part of enhanced disaster response to continue serving as regional relief bases for local customers offering infrastructure, evacuation locations, etc. The following measures are being taken to address the increasing risk of natural disasters.

- · Establish early recovery systems (such as the proprietary disaster management system 7VIEW)
- · Prevent flood damage by expanding the installation of watertight panels and guard pipes
- · Continue operations in the event of a disaster with "Phase Free (a concept of securing an adequate quality of life, regardless of phases such as daily life and emergencies)" facilities, including improved performance of storage batteries
- Prepare fuel reserves for emergency supply delivery

#### **7VIEW**

• 7VIEW refers to our disaster prevention and impact reduction measures for us to "be prepared" to protect our customers, local communities, and employees at franchise stores (in Japanese)



7VIEW (system for sharing information in the event of a disaster)

# Significant physical risks: Increase in raw material cost

Item Business impact	Item Business impact		
Raw materials cost increase for	¥2.2 billion		
rice			
Raw materials cost increase for	¥1.9 billion		
laver	+1.5 billion		
Raw materials cost increase for			
livestock products (beef, pork,	¥1.6 billion		
chicken, eggs)			

Assumption: Estimated increases in raw material costs as of the fiscal year ending February 28, 2031 due solely to lower yields resulting from climate change

\* Yield changes are estimated from data provided by the Ministry of Education, Culture, Sports, Science and Technology; the Ministry of the Environment; the Japan Meteorological Agency; the National Institute for Environmental Studies; the National Agriculture and Food Research Organization, etc.

The increase in raw material cost due to changes in weather patterns, which is expected to have the next largest impact, was estimated. The scope was set based on the composition of purchase amount: rice, laver, and livestock products (beef, pork, chicken, and eggs). Assuming that climate change will lower harvest yields and increase the purchase price accordingly, we estimate that the increase will total ¥5.7 billion. However, this estimate does not include impacts such as those related to imports. Therefore, we assume that the actual amount will be several times larger and are considering countermeasures to address this.

#### ◆Main countermeasures for increase in raw material cost

Under our environmental declaration "GREEN CHALLENGE 2050," we set sustainable procurement as a specific theme—ensuring that food ingredients used in our original products are guaranteed sustainable, and are working toward a society that is in harmony with nature. Below are representative initiatives which we are undertaking for stable procurement as countermeasures for Increase in raw material cost.

- Disperse production sites of raw materials
- Ensure stable procurement through the expansion of raw material procurement from weather-resistant sources, such as vegetable factories, land-based aquaculture, etc.
- · Utilize digital technology and AI



Indoor vegetable factory exclusively for Seven-Eleven Sagamihara Vegetable Plant by Prime Delica Co., Ltd.

News releases related to countermeasures, etc.

• 2023.7<u>"Mirai Deli" products will be launched nationwide on July 14 offering sustainable raw material procurement and new product value (in Japanese)</u>

For more details of Seven-Eleven initiatives, refer to the Seven-Eleven website links.

Sustainable Procurement

# (3)Business opportunities and main countermeasures for both scenarios

#### Business opportunities for the decarbonization scenario

In this scenario, we see changes in consumer awareness as a business opportunity. As consumers develop a strong interest in sustainable products and services in line with government policy and trends toward carbon neutrality, we believe that our current efforts will lead to opportunities and further accelerate those efforts. The following initiatives being promoted under our environmental declaration "GREEN CHALLENGE 2050" are good examples.

# ♦Initiatives to reduce CO<sub>2</sub> emissions

As electric vehicles become more common on the roads in the decarbonization scenario, we believe that offering electric vehicle (EV) charging services at a greater number of Seven-Eleven parking lots will create more customer traffic.

We haves installed chargers for EVs and plug-in hybrid vehicles (PHVs) in some stores, and plan to further expand this in the future. We provide a fee-based charging service, with the initiative aimed at increasing the convenience of the commercial facilities and establishing a pattern for using EVs and PHVs of charging these while shopping. It also aims to contribute to the realization of a decarbonized society by promoting the spread of environment-friendly, next-generation cars.

#### ♦ Initiatives for measures against plastic

We believe that converting the containers and packaging used for our original products to environmentally friendly materials and promoting PET bottle collection and recycling will attract public attention and create more customer traffic. Taking measures against plastic is one of the initiatives specified in our environmental declaration "GREEN CHALLENGE 2050." We have set targets to convert the containers and packaging used for our original products (including Seven Premium) to 50% environmentally friendly materials by 2030 and 100% by 2050, thereby reducing the burden on the environment from waste plastic.







For the collection of plastic PET bottles, 2,956 collection machines have been installed at Seven-Eleven convenience stores (as of the end of July 2023). The collected bottles are recycled into new PET bottles and other products in Japan through a "closed-loop" recycling system.



For more details of Seven-Eleven initiatives, refer to the Seven-Eleven website links.

- <u>Development of Eco-Friendly Merchandise</u>
- Reduction of Petroleum-Derived Plastics

#### **♦**Initiatives for sustainable procurement

We believe that expanding our product lineup of certified agricultural and fishery products, as well as our sustainable products with sustainability guarantees will attract the interest of customers and provide an opportunity to increase footfall at our stores. Seven-Eleven Japan is working on the development of a new series of "Mirai Deli" products that use raw materials that ensure sustainability by reducing environmental impact and realizing stable production through technological progress. As the first step, we have developed a "plant-based protein" that will reduce greenhouse gas emissions such as CO<sub>2</sub> generated when importing and raising livestock. We plan to sell products that adopt "factory vegetables" that enable stable supply without being affected by climate change at stores nationwide from July 2023.











みらいに向けた取り組みの商品はこのマークが目印です!

News releases related to business opportunities

• 2023.7 "Mirai Deli" products will be launched nationwide on July 14 offering sustainable raw material procurement and new product value (Mirai Deli website) (in Japanese)

For more details of Seven-Eleven initiatives, refer to the Seven-Eleven website link.

• <u>Sustainable Procurement</u>

# **Superstore Operations Strategy (Scenario Analysis)**

# Operating Companies: Ito-Yokado, York-Benimaru

\*Our superstore operations were reorganized in September 2023, with York merging into Ito-Yokado.

In the fiscal year ended February 28, 2023, we conducted a scenario analysis for the Seven & i Group's three superstore operations of Ito-Yokado, York-Benimaru, and York. For this analysis, an organizational framework for the scenario analysis was created within each of the three superstore companies, with management and the major departments relating to climate change taking part, toward the aim of formulating substantial countermeasures and accurately quantifying business impacts. By discussing the risks, opportunities, and countermeasures at each department we have facilitated analyses aligned to actual situations, thereby improving our capacity to respond to climate change.

# **Scenario Analysis Assumptions**

Analysis assumptions (fiscal year ended February 28, 2023)

Decarbonization scenario (1.5°C-2.0°C) / Warming
scenario(2.7°C-4.0°C)
Operation of Ito-Yokado, York-Benimaru, and York stores in Japan
Operation of Ito-Tokado, Tork-Berlimard, and Tork Stores in Japan
In addition to the physical impact on stores, the analysis will cover
costs in store operations and merchandise supply chain issues
(raw materials, factories manufacturing merchandise, merchandise
shipping) that significantly affect store operations, and customer
behavior
Impact as of 2030

In this scenario analysis, mindful that the 1.5°C target has become the mainstream worldwide, we implemented analyses consistent with this 1.5°C target. Specifically, we set two scenarios, a "decarbonization scenario (1.5°C–2.0°C)" and a "warming scenario (2.7°C–4.0°C)," with reference to reports on future forecasts and other materials issued by governments and international organizations, including STEPS,\*1 APS,\*2 and NZE2050,\*3 indicated in the World Energy Outlook of the International Energy Agency (IEA). We analyzed the impact of climate change as of 2030.

- \*1 STEPS: Stated Policies Scenario. This scenario reflects decarbonization policies and targets that have been so far publicized.
- \*2 APS: Announced Pledges Scenario. This scenario assumes that all climate-related commitments made by governments announcing long-term targets of net zero emissions are fulfilled in full and on time.
- \*3 NZE2050 : Net Zero Emissions by 2050. Surpassing the Paris Agreement target, this scenario aims for net zero CO<sub>2</sub> emissions before 2050 toward achievement of the 1.5°C goal.

# Significant Risks and Opportunities, and Countermeasures

Many of the respective risks and opportunities were identified as a result of discussions within each department of three superstore companies regarding specific risks and opportunities that could affect the superstore operations. The assessment referenced each risk and opportunity presented with reference to the case studies and various reports analyzing the domestic convenience store business in the fiscal year ended February 28, 2022. We examined the magnitude of the impact of these risks and opportunities on financial aspects such as sales and profits, as well as strategic aspects such as store operations and merchandise procurement. With carbon emissions targets and policies in each country, changes in consumer preferences, increases in the severity and incidence of extreme weather events, and changes in precipitation and weather patterns as the items for significant risks and opportunities, we qualitatively and quantitatively evaluated the various impacts on the business of these factors and formulated countermeasures for each.

Listing of three superstore companies' risks and opportunities, and countermeasures

◆Transition risks and opportunities (Decarbonization scenario, 1.5°C-2.0°C)

Significant	risks	Concrete	T	Commis	Business	Business	Main accordance
and opport	opportunities examples		Impact	Scenario	risks	opportunities	Main countermeasures
Policies ta and a regulation p	nd	of carbon	Operating cost	•A high carbon tax is introduced, with a carbon tax burden imposed in accordance with CO <sub>2</sub> emissions volumes, increasing the costs associated with store operations, etc.	0		Below are the main CO <sub>2</sub> emissions reduction measures being promoted ("GREEN CHALLENGE 2050" environmental declaration)  • Promote energy saving in stores; introduce energy- saving equipment and facilities (including reviews of in- store lighting levels, temperature levels of refrigeration and freezer units and facilities, replacement with LED lighting)  • Promote the use of renewable energy in stores (solar power, offsite power purchase agreements (PPA), biomass power generation, etc.)  • Reduce food residue collection and transport costs and CO <sub>2</sub> emissions through the introduction of garbage processors

							·Support our business
		of carbon	Operating cost	•Increased costs due to the imposition of carbon tax burdens at each stage of the supply chain, with an emphasis on fuel costs for delivery (procurement, products, packaging materials, store construction equipment, sales, logistics, etc.) •Increased investment costs for the transition to using EVs as delivery vehicles toward the achievement of a low-carbon society	0		partners in their efforts to save energy and expand the use of renewable energy  Increase use of EV and other environmentally friendly vehicles  Promote logistics efficiency and green measures (including reviews of delivery systems, joint deliveries, modal shifts, expansion of drop-off/doorstep deliveries, etc.)  Reduce procurement costs through promotion of local consumption of local production
Policies and regulation	emissions targets and policies in each country	Fluctuations in retail	Operating cost	•Increased electricity retail prices accompanying the transition to energy saving and efficiency measures •Increased costs originating in the supply chain (procurement, products, packaging materials, store construction equipment, sales, logistics, etc.)	0		<ul> <li>Promote energy saving in stores, introduce energy-saving facilities and equipment</li> <li>Support the introduction of energy-saving equipment and facilities for business partners</li> </ul>
		Expanded	Operating cost	•Increased costs from the installation and maintenance of EV chargers in store parking lots	0		<ul> <li>Prepare for increase in the number of paying customers from expansion of EV</li> </ul>
	use of EVs	Sales	•Increased incentive to visit stores accompanying EV charging services in store parking lots		0	charging services in store parking lots	

Reputation	consumer	Changes in sales due to sales of ssustainable merchandise	Sales	Increased interest among consumers in sustainable products, resulting in increased turnover from sales of products that cater to this interest     Increased interest among consumers in sustainable services, resulting in increased incentive to visit stores and improved reputation through initiatives such as resource renovation and recycling		0	• Expand range of certified raw materials (including organic agricultural products, certified marine products) ("GREEN CHALLENGE 2050" target of Sustainable Procurement)  • Bolster product lineup of meat alternatives including soy meat  • Introduce environmentally friendly containers and packaging including non-tray and label-less packaging and promote plastic bottle collection and recycling ("GREEN CHALLENGE 2050" target of Measures against Plastic)  • Introduce shopping baskets made from recycled materials
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# ♦Physical risks and opportunities (Warming scenario, 2.7°C-4.0°C)

Significant	t risks	Concrete	Impost	Conorio	Business	Business	Main countours
and oppor	tunities	examples	Impact	Scenario	risks	opportunities	Main countermeasures
Acute et ex		Damage from natural disasters	Operating cost	•Increased frequency and intensity of natural disasters resulting in increased damage costs due to store and merchandise damage caused by flooding from heavy rains and typhoons; loss of sales due to store closures, restoration costs; and costs associated with ensuring employee safety, etc.  •Stock shortages and lost opportunities due to damage to supply chains, including production sites and logistics networks  •Increased investment costs for disaster prevention and preparedness countermeasures			Create a strategy and stores that anticipates flooding (preventing flood damage by expanding the installation of watertight panels and guard pipes)  Establish disaster-resilient logistics bases and supply networks  Develop disaster bases utilizing store infrastructure through disaster management agreements, etc. (evacuation locations for local residents)  Continue operations in the event of a disaster with "Phase Free (a concept of securing an adequate quality of life, regardless of phases such as daily life and emergencies)" facilities, including improved performance of storage batteries  Prepare fuel reserves for emergency supply delivery  Ensure water supplies during emergencies by means of the introduction of well water (Ito-Yokado)
		through improved resilience Insurance	Sales Operating cost	Consumers'     heightened awareness     of disaster mitigation     will increase demand     for disaster     preparedness products     Increased insurance cost     related to natural     disasters due to     increased frequency and     intensity of natural     disasters	0	0	Expand lineups of emergency supplies and disaster preparedness goods, stockpiled goods, and easy/ready-to-eat foodstuffs      Mitigate losses using various damage prevention measures

		Price fluctuations of raw materials for agricultural, livestock, and marine products	Operating cost	· Higher raw material costs and increased procurement costs due to declines in yields and in quality of agricultural, livestock, and marine products	0		Disperse and consolidate production sites of raw materials  Ensure stable procurement through the expansion of raw material procurement from weather-resistant sources, such as vegetable factories, land-based aquaculture, vegetable breeding, etc. and certified raw material  Utilize digital technology and AI  Expand lineup of frozen and processed foods resistant to the influence of climate
Chronic	weather patterns	Increased	Operating cost	•Increased electricity use for air conditioning and refrigeration and freezing units and facilities focused on the summer months with resultant increase in electricity fee payments due to higher average temperatures	0		Promote energy saving in stores, introduce energy-saving facilities and equipment  Reduce winter months operating costs, including for heating and snow removal (York-Benimaru: Cold regions)  Increase store footfall in winter months (York-Benimaru: Cold regions)
		temperatures	Sales	• Decreased store footfall due to decreased frequency of outings caused by hot weather  • Increased demand in the delivery business	0		• Expand delivery business and e-commerce services (Ito-Yokado: Increase delivery slots through use of large-scale delivery centers) • Appeal for customers to visit stores in their function as "cooling shelters" (Ito-
			the delivery business and e-commerce services		0	Yokado: All stores registered as communal cooling locations in Tokyo)	
		Creation of new sales opportunities and expansion of sales opportunities	Sales	Changes in customer     preferences due to     rising temperatures		0	• Expand lineup of products for coping in hot weather (including cooling products, cool-tasting products, sunscreen, etc.)

<sup>\*</sup>The scenario with the larger impact was referred to in assessing each business impact.

<sup>\*</sup> Some items are limited according to location and store size.

### (1)Significant transition risks and countermeasures: Decarbonization scenario (1.5°C-2.0°C)

We considered the transition risks and opportunities based on the decarbonization scenario in which various regulations and other measures are introduced to achieve the 1.5°C target. Of these, we estimated the following regarding the impact of the carbon tax system due to the introduction of carbon pricing, which is projected to have the biggest impact.

#### Significant transition risk: Impact of the carbon tax system

Item	Business impact
Carbon tax (2030)	¥7.4 billion

Assumption: Carbon tax: \$135/ton-CO<sub>2</sub> (Maximum amount given in the IEA's World Energy Outlook 2022)

• Foreign exchange rate: ¥131.62/\$ (Rate used in financial statements for the term ended February 2023)

For our estimate, with reference to the IEA's World Energy Outlook 2022, we calculated the impact of carbon tax at the maximum amount of  $$135/\text{ton-CO}_2$ as of 2030$ . The total of three superstore companies' carbon taxes was estimated at \$10.7\$ billion based on a simple calculation, assuming  $$CO_2$$  emissions increase in line with the growth of business activities. However, if we reduce  $$CO_2$$  emissions to 50% in 2030 (compared to FY2013 levels) as per the target defined in our "GREEN CHALLENGE 2050" environmental declaration, this will reduce carbon taxes by \$3.3\$ billion to \$7.4\$ billion. Furthermore, we expect that the impact of the carbon tax will eventually be eliminated by promoting efforts to achieve our 2050 net zero emission target.

#### **♦** Main countermeasures

We will significantly reduce our carbon tax burden and transition risks such as higher electricity fee payments through efforts to achieve reductions in  $CO_2$  emissions. As approximately 90% of the Group's  $CO_2$  emissions are attributable to electricity use from store operations, the three initiatives of energy savings, energy generation, and procurement of renewable energy are being pursued to reduce emissions. We also aim to reduce emissions throughout the supply chain, including Scope 3 emissions.

Superstore Operations are focusing the following main activities.

#### 1 Energy savings

Reduction of electricity use through installation of energy-saving equipment as well as employees' efforts to save energy (reviews of in-store lighting levels, temperature levels of refrigerators and freezers, and replacement with LED lighting)







Cleaning the filters on a refrigerator case (York Mart)

#### 2 Energy generation

Solar panels have been installed at 23 Ito-Yokado stores (including 9 York stores) and 42 York-Benimaru stores (as of the end of February 2023).

#### 3 Procurement of renewable energy

We are expanding cooperation with various electric power companies, including an offsite power purchase agreement (PPA).







York-Benimaru Ohiramachi store

News releases related to countermeasures, etc.

• 2023.2 <u>Signing of "agreement on promoting carbon neutrality and cooperation in the event of a large-scale power outage due to a natural disaster" using York-Benimaru stores in Nasushiobara City, Tochigi Prefecture (in Japanese)</u>

# (2)Significant physical risks and countermeasures: Warming scenario (2.7°C-4.0°C)

### Significant physical risks: Impacts of natural disasters

Item	Business impact
Store damage,	
merchandise damage,	
loss of sales due to	¥5.5 billion
closures, restoration	
cost, etc.	

Assumption: A disaster of similar scale to 2019 (Typhoon No. 19)

\* Estimates are based on actual damage from the 2019 disaster and forecasts of an increased frequency of disasters and floods. To ascertain the extent of damage, estimates were made without considering insurance coverage.

In the warming scenario, natural disasters caused by extreme weather pose the greatest risk. It is difficult to predict when and where natural disasters will occur, and once they do, they can cause extensive damage. Currently, the occurrence of extreme weather such as heavy rainfall that cause disasters are increasing due to global warming, and this trend would become even more pronounced under this scenario.

Based on the extent of damage caused by past disasters, and assuming "a disaster of comparable scale to that experienced in the fiscal year ended February 29, 2020, when a planned closure was implemented due to Typhoon No. 19 (Typhoon Hagibis)," which can be expected to result in both serious and widespread damage, the total amount of damage, including store damage, merchandise damage, loss of sales due to closures, and restoration costs, is estimated at a total of ¥5.5 billion for the three superstore companies. It should also be noted that while the probability of disasters and flooding is lower than in this scenario, natural disasters precipitated by extreme weather events are also considered to be a particularly significant risk in the decarbonization scenario, with the total extent of damage estimated at ¥4.6 billion and the impact being assessed.

#### ♦ Main countermeasures to impacts of natural disasters

We will strive to quickly reopen its stores and establishments in the event of a natural disaster as part of enhanced disaster response to continue serving as regional relief bases for local customers offering infrastructure, evacuation locations, etc. The following measures are being taken to address the increasing risk of natural disasters.

- · Establish early recovery systems
- · Create stores that anticipates flooding (expanding the installation of watertight panels and tide barrier)
- Continue operations in the event of a disaster with "Phase Free (a concept of securing an adequate quality of life, regardless of phases such as daily life and emergencies)" facilities, including improved performance of storage batteries
- Prepare fuel reserves for emergency supply delivery
- · Develop disaster bases utilizing store infrastructure through disaster management agreements, etc.

#### Number of comprehensive alliance agreements with local governments (by operating company)

	As of the end of February	As of the end of February	As of the end of February	
	28, 2021	28, 2022	28, 2023	
Ito-Yokado	56	79	78	
York-Benimaru	10	11	14	
York Mart	4	4	4	
Total	267	320	329	

# (Alliances with local governments) Initiatives of Ito-Yokado

- · July 13, 2022 Supplies provision drill, Funabashi City, Chiba Prefecture
- · September 3, 2022 Joint comprehensive disaster drill, Shinagawa-ku and Tokyo Metropolis
- · November 5, 2022 Exhibition at disaster prevention fair, Asaka City, Saitama Prefecture
- November 4, 2022 Conclusion of agreement on the supplies provision in the event of a major disaster\* with Akabane Fire Station, Tokyo Fire Department
- · December 1, 2022 Conclusion of agreement on facilities use in the event of flooding with Ageo City, Saitama Prefecture
- February 14, 2023 Conclusion of an agreement on supplies provision in the event of a major disaster\* with Tama Fire Station, Tokyo Fire Department

\*Agreement relates to the supply of foodstuffs, daily necessities, and other essentials to firefighters engaged in rescue and relief operations in disaster-affected areas in the event of a major disaster.

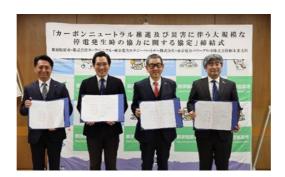




Agreement signing ceremony with Tama Fire Station, Tokyo Fire Department Joint comprehensive disaster drill, Shinagawa-ku and Tokyo Metropolis

# (Alliances with local governments) Initiatives of York-Benimaru

• 2023.2 <u>Signing of "agreement on promoting carbon neutrality and cooperation in the event of a large-scale power outage due to a natural disaster" using York-Benimaru stores in Nasushiobara City, Tochigi Prefecture (in Japanese)</u>



#### Related website link

· We shall not forget: 10 years after the Great East Japan Earthquake (in Japanese)

#### Significant physical risks: Increase in raw material cost

The increase in raw material cost due to changes in weather patterns, which is expected to have the next largest impact, was estimated. Based on the composition of purchase amounts and the availability or otherwise of future data, "rice, tomatoes, and pork" were selected as the raw materials to be subject to the first-year analysis in the superstore operations (with plans to extend the scope of analyses going forward).

The increase in the purchase amounts was estimated assuming that climate change impacts will result in reduced yields\* and that the purchase amounts would increase accordingly. This clarified that the impacts for the procurement of "rice, tomatoes, and pork" can be expected to become pronounced mainly under the warming scenario. Furthermore, for raw material procurement, both the "change in weather patterns," and the aforementioned "carbon tax system" as well as the "increase in natural disasters" can be expected to have contingent impacts, with various countermeasures being considered and implemented in light of this fact.

\* Yield changes are estimated from data provided by the Ministry of Education, Culture, Sports, Science and Technology; the Ministry of the Environment; the Japan Meteorological Agency; the National Institute for Environmental Studies; the National Agriculture and Food Research Organization, etc.

#### ♦ Main countermeasures for Increase in raw material cost

Under our environmental declaration "GREEN CHALLENGE 2050," we set sustainable procurement as a specific theme—ensuring that food ingredients used in our original products are guaranteed sustainable, and are working toward a society that is in harmony with nature. Below are representative initiatives which we are undertaking for stable procurement as countermeasures for Increase in raw material cost.

- Disperse and consolidate production sites of raw materials
- Ensure stable procurement through the expansion of raw material and certified raw material (marine and agricultural product) procurement from weather-resistant sources, such as vegetable factories, land-based aquaculture, etc.
- · Utilize digital technology and AI
- Expand lineup of frozen and processed foods resistant to the influence of climate

#### **Agricultural products**

In addition to promoting the acquisition of GAP certification\* in cooperation with producers at respective companies, we also sell private label vegetables such as "Fresh Foods with Traceability" (Ito-Yokado) and "Mitsuboshi Agricultural Products" (York-Benimaru), which deliver select, domestically-sourced vegetables grown with guaranteed safety, reliability, and deliciousness. These efforts are designed to disclose information about safe, environmentally sound products—who produces them, where, and with what motivations.

\* Good Agricultural Practice (GAP) is a certification given to producers who engage in sustainability efforts in agriculture, awarded through third-party inspection.







Vegetables sales floor (Ito-Yokado)

Number of employees in the Seven & i Group with JGAP instructor qualifications

	FY2021	FY2022	
No. of employees with JGAP	62	139	
instructor qualifications	02		

<sup>\*</sup> Total for JGAP fruits and vegetables and livestock

Sales of Ito-Yokado's "Fresh Foods with Traceability"

	FY2019	FY2020	FY2021	FY2022
Amount of sales* (billion	228	246	243	248
yen)	220	240	243	240

<sup>\*</sup> Approximate figures

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

#### Marine products

Seven & i Group is working to sell products for which sustainability is guaranteed, such as those certified by the MSC\*1 and ASC,\*2 to pass on the rich blessings of the sea to future generations.

In October 2022, the Group acquired Chain of Custody (CoC) certification—a standard for the distribution and management of certified nature and environmentally friendly marine products—from the international non-profit organizations the Marine Stewardship Council (MSC) and the Aquaculture Stewardship Council (ASC). The CoC certification system is used to attest that seafood that has been certified by MSC and ASC as having been produced with consideration to the natural environment has been properly managed without being mixed with non-certified seafood through all the processes of production, processing, and distribution. Obtaining the CoC certification has additionally enabled us to sell MSC and ASC certified seafood processed in-store at the Group's supermarkets as certified products. Before this, seafood which had been certified by MSC and ASC s sold in Group supermarkets had been limited to a few products processed outside stores, such as fish roe. Under the current CoC certification, meanwhile, sashimi (raw fish) and sliced/filleted products processed in Group supermarkets, including Seven Premium Fresh, the mainstay of our seafood range, can now also be retailed as certified products.

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.

\*1 Marine Stewardship Council (MSC) certification is a standard for marine products of natural origin relating to sustainable fisheries properly managed with consideration to marine resources and the environment.





\*2 Aquaculture Stewardship Council (ASC) certification is a standard for aquaculture products farmed under a responsible aquaculture industry model which takes into account both workers and local communities, in addition to endeavoring to prevent pollution of the natural environment and the overuse of resources.







News releases related to countermeasures, etc.

• 2022.10 <u>Seven & i Holdings obtains MSC/ASC CoC certification and begins selling certified seafood processed in-store at 461 stores in its three superstore companies (in Japanese)</u>

# (3) Business opportunities and main countermeasures for both scenarios

# Business opportunities for the decarbonization scenario

In this scenario, we see changes in consumer awareness as a business opportunity. As consumers develop a strong interest in sustainable products and services in line with government policy and trends toward carbon neutrality, we believe that our current efforts will lead to opportunities and further accelerate those efforts. The following initiatives being promoted under our environmental declaration "GREEN CHALLENGE 2050" are good examples.

#### ♦Initiatives to reduce CO<sub>2</sub> emissions

As electric vehicles become more common on the roads in the decarbonization scenario, we believe that offering EV charging services at a greater number of superstore parking lots will create more customer traffic. The two superstore companies have installed approximately 2,373 chargers for EVs as of the end of June 2023.



#### ♦ Initiatives for measures against plastic

We believe that converting the containers and packaging used for our original products to environmentally friendly materials and promoting PET bottle collection and recycling will attract public attention and create more customer traffic.

Taking measures against plastic is one of the initiatives specified in our environmental declaration "GREEN CHALLENGE 2050." We have set targets to convert the containers and packaging used for our original products (including Seven Premium) to 50% environmentally friendly materials by 2030 and 100% by 2050, thereby reducing the burden on the environment from waste plastic. At Ito-Yokado, York-Benimaru, and York, we have devised sales methods for fresh food and delicatessen items that reduce the amount of containers and packaging used, such as selling by weight or selling individual loose items. In our delicatessen items sales areas, we are increasingly using paper bags rather than plastic containers for selling items such as croquettes and deep-fried chicken. In some other stores, some products sold in fresh meat sales areas have adopted the method of packing meat for sale in plastic bags without a polystyrene tray.



Related news releases, etc.

· 2022.3 Measures against plastic at Ito-Yokado (in Japanese)

Collection machines of plastic PET bottles have been installed at 2,935 superstores and Seven-Eleven convenience stores as of July 21, 2023. The collected bottles are recycled into new PET bottles and underwear in Japan through a "closed-loop" recycling system.



Related website link

• The process of turning plastic bottles collected at the Group's stores into "underwear" (in Japanese)

# **♦**Initiatives for sustainable procurement

We are expanding our lineup of sustainable products that have acquired official certifications such as MSC, ASC, and MEL certifications for marine products and GAP certification for agricultural products, including private label vegetables such as Ito-Yokado's "Fresh Foods with Traceability" and York-Benimaru's "Mitsuboshi Agricultural Products," which we hope will attract public attention and create more customer traffic.

#### Business opportunities for the warming scenario

In this scenario, we see changes in customer preferences and consumer behavior due to rising temperatures as business opportunities in the following ways.

- · Consumers' heightened awareness of disaster mitigation will increase demand for disaster preparedness products
- · Increased sales of products that people wish to have in hot weather (cooling products)
- The frequency of outings will decrease caused in hot weather, so e-commerce services such as delivery business and Net Supermarkets will flourish

### ♦Roll out of disaster preparedness aisles on sales floors

Disaster preparedness aisles are being rolled out at Ito-Yokado stores in line with the growing awareness among customers of the importance of disaster preparedness.





#### ♦Ito-Yokado Net Supermarket, Shin-Yokohama Center

In August 2023, the Ito-Yokado Net Supermarket, Shin-Yokohama Center was opened to cater to the home delivery needs of customers, which are expanding year on year. This is a large-scale base serving an area which encompasses approximately 30 surrounding Ito-Yokado stores and which delivers within a 30km radius of the center itself.



Refer here for more details of responses to climate change by superstores.

- Ito-Yokado website: CSR—Social and Environmental Initiatives (in Japanese)
- · York-Benimaru website: CSR Report 2022 (in Japanese) \*Refer to Material Issue 3

# Seven & i Group Material Issues

Seven & i Holdings has conducted dialogue with various stakeholders and in 2014 determined material issues that should be addressed so that the entire Group can respond to the expectations and demands of stakeholders. Over the seven years since the Group identified the material issues, social issues related to our business activities and society's demands have become more diverse. To address these issues appropriately, the Group has revised those material issues in March 2022 through dialogue with various stakeholders. (Approved by the Board of Directors of Seven & i Holdings on March 30, 2022). We introduce the revision process here.

# **Purpose of Material Issues Revision**

- Concentrate on material issues that Seven & i Group should address in particular, and respond appropriately as the scope of its business expands and related social issues and social demands become more diverse.
- Maximize group synergy by clearly defining the direction for the creation of social and economic value for the entire group.
- Promote sustainability management and information disclosure in line with global standards.

# Steps for Revising Material Issues (for the revision in March 2022)

#### STEP 1

# Selection of social issues

As part of our review of material issues, we selected social issues to be considered. In addition to summarizing and consolidating the social issues in the previous identification of material issues, we added related items including the SDGs, the Global Risks Report, the SASB Standards and other international frameworks, issues raised in U.S.-Japan governmental and other discussions, the consideration of the external environment in the Medium-Term Management Plan, and evaluation items used by ESG rating agencies.



#### STEP 2

# Survey of more than 5,000 stakeholders

After selecting 35 items from the possible 480 social issues, we carried out a survey of stakeholders on the issues the Group should address. The survey was expanded from the time the material issues were initially identified in 2014 to cover nine companies\*, including the overseas operating companies and SEVEN-ELEVEN JAPAN franchise store owners. More than 5,000 surveys were completed and returned, and these included more than 1,000 comments.

\* Seven-Eleven Japan, 7-Eleven, Inc., Ito-Yokado, York-Benimaru, York, Sogo & Seibu, Seven & i Food Systems, Seven Bank, Seven & i Holdings

Stakeholders	Scope		
Customers	Customers of operating companies		
Business partners	Operating companies' business partners		
Shareholders and investors	Shareholders, investors, and sell-side securities analysts covering Seven & i Holdings		
Franchisees	SEVEN-ELEVEN JAPAN franchise store owners		
Employees	Employees of Seven & i Holding and operating companies		

#### STEP 3

# Dialogue with experts

The Group's three flagship operating companies (SEVENELEVEN JAPAN, Ito-Yokado, and Sogo & Seibu) and Seven & i Holdings engaged in dialogue with knowledgeable experts as representatives of stakeholders. From the survey results, we identified their unreserved opinions about the Group's role in society and the social issues that the Group should address. (File photos of the Seven & i Holdings dialogue participants)

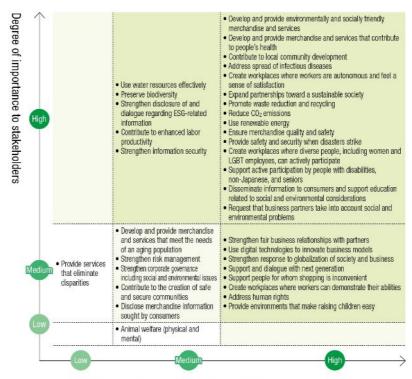




#### STEP 4

# Identification of new material issues, taking into account opinions of stakeholders and the Group management

Using the stakeholder survey results, we created a matrix for each of the nine companies, using the degree of importance to stakeholders as the vertical axis and the degree of importance to the companies as the horizontal axis. We then consolidated these into a Group matrix and identified seven material issues, taking into account the survey comments, dialogues with experts, and interviews with management of other operating companies. We have adopted the new material issues using wording that makes it easy to understand their correlation with concrete initiatives, so that Group employees can pursue them "on their own."



Degree of importance to Seven & i Group (management)

#### STEP 5

# Risks and opportunities related to material issues

As we identified the material issues, we also consolidated the related risks and opportunities based on opinions including the survey of stakeholders and dialogue with experts. In addition to creating new initiatives to address the material issues, we are striving to reduce risks with the aims of achieving a sustainable society and sustainable corporate growth.

#### STEP 6

#### Incorporation into action plans

To place the newly identified material issues as a basis of management and ensure their effectiveness, the Group is formulating concrete initiatives to address the material issues through each operating company's business. Using a process similar to that of the SDG Compass\*, we are integrating the new material issues into management by formulating action plans to achieve our targets and working to realize those issues through our businesses.

\*SDG Compass: A guide for how companies can work toward achieving the SDGs prepared jointly by the Global Reporting Initiative, the United Nations Global Compact, and the World Business Council for Sustainable Development

# **Seven & i Group Material Issues**



# Material Issue 1 >

Create a livable society with local communities through various customer touchpoints



# Material Issue 2 >

Provide safe, reliable, and healthier merchandise and services



# Material Issue 3 >

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



# Material Issue 4 >

Achieve a society in which diverse people can actively participate



#### Material Issue 5 >

Improve work engagement and environment for people working in Group businesses



# Material Issue 6 >

Create an ethical society through dialogue and collaboration with customers



# Material Issue 7 >

Achieve a sustainable society through partnerships

# Material Issue 1 Create a livable society with local communities through various customer touchpoints

# Approach to the Material Issue

The Seven & i Group operates approximately 22,800 stores nationwide and has other diverse touchpoints with customers, including home delivery and outside sales. We believe it is important to leverage the strengths of the Group to provide a livable society together with local communities and neighborhoods through all customer touchpoints, including our stores. Resolving issues such as aging and shrinking populations is an important social role that we are constantly called upon to play, as well as a business opportunity in the form of new customer needs. We continue to make efforts to be close to each and every one of our customers as their most familiar company.

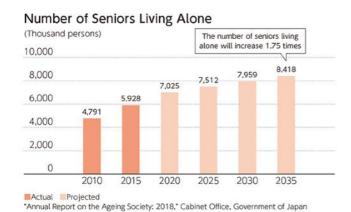
# **Background to the Material Issue**

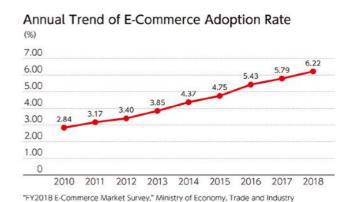
Changes in Shopping and Other Services Due to the Hollowing Out of Social Bases Following Aging Society, Declining Population, and the Advancement of the Digital Society

Japan is experiencing an aging society and declining population trends. By the year 2060, the national population will dip below 90 million and nearly 40% will be seniors\*. The number of seniors living alone continues to increase each year, with the number expected to rise 1.75 times from the level in 2010 by 2035. The hollowing out of social infrastructures to support daily life following the declining population also stands as one of the major social issues. The number of seniors living alone who have a disadvantage in shopping due to a lack of walkable access to fresh food stores increases year by year.

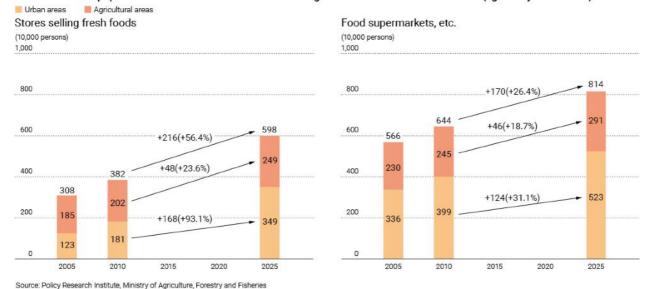
At the same time, due to the spread of digital devices and the establishment of communication infrastructure, customers' shopping habits and required services are also changing, such as in the methods for placing orders, payment, and picking up orders.

\* Source: "Population Projections for Japan (2017)," National Institute of Population and Social Security Research





#### Estimated future population of those without automobiles living 500 meters or more from a store (aged 65 years or over)



# **Contribution to SDGs**

By addressing this material issue, the Seven & i Group is providing social infrastructure such as public services to a variety of people, including seniors, and contributing to the achievement of Sustainable Development Goals 9 and 11.





# Seven & i Group's Initiatives

Shopping Support >

Reducing Housework >

**Providing Services to a Wide Range of Customers** 

Implementing Crime
Prevention Measures for
Local Communities >

# Material Issue 1 Create a livable society with local communities through various customer touchpoints

# **Shopping Support**

Seven & i Group is working to support people who feel inconvenience when shopping by utilizing the infrastructure it has developed, such as store networks and logistics and information systems, to create new services for shopping support.



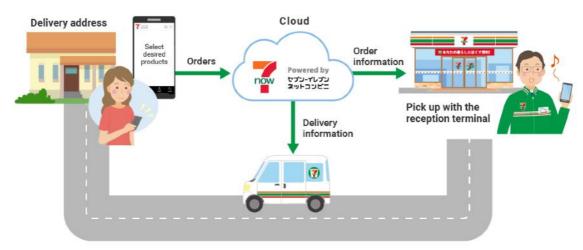


# **Store Product Delivery Service**

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

#### "7NOW" Seven-Eleven Online Convenience Stores

Aiming to realize "Anytime, Anyplace, Right Away," Seven-Eleven Japan provides 7NOW, the Seven-Eleven online convenience stores service in which orders made by customers on their smartphones for any desired products from about 2,800 products sold in stores are delivered to specified locations in as little as 30 minutes. Demonstration testing has been conducted at about 5,000 stores in certain areas in Hokkaido, Tokyo, Saitama, Chiba, Kanagawa, and Hiroshima Prefectures as of the end of June 2023, and it aims to expand this service to 12,000 stores by the end of February 2024.



# Home Delivery Services of "Seven RakuRaku Delivery"

Seven-Eleven Japan offers the Seven RakuRaku Delivery service, which provides home delivery for nearly every product sold in its stores. Orders can be placed in advance by telephone or through other means. As of February 28, 2023, the service operates a fleet of some 482 "COMS" ultra-small electric vehicles.



Seven RakuRaku Delivery

# Online Supermarkets

For food and household goods, Ito-Yokado has launched an online supermarket at 105 stores (as of the end of May 2023), by which products that are ordered on PCs or smartphones are delivered from nearby stores within specified time slots. In December 2014, Ito-Yokado started offering a service to support parents raising children. Parents who present their maternity notebook issued within the last four years and register for the online supermarket can use a discounted delivery fee for four years from the registration date. Furthermore, in order to improve the efficiency of deliveries as well as meet the diversifying needs of our customers for pick-up options, Ito-Yokado also enhanced its non-contact delivery and drop-off services. As the first such service in Japan, 7&i Locker Pick-Up was launched in March 2020 with the temperature ranges of refrigeration, freezing, and room temperature. This is a service in which products ordered through the online supermarket are stored in specified lockers separated into room, refrigeration, and freezing temperatures. As of the end of May 2023, the 7&i Lockers have been installed in a total of 10 locations in 7-Eleven, Ito-Yokado, and other stores.



Filling an online supermarket order



A 7&i Locker installed in front of a store

# Quick Commerce with OniGO

In collaboration with OniGO, which operates supermarkets that specialize in home delivery, York launched a service that delivers products ordered online to the homes of customers who find it inconvenient to go shopping because of distance or time constraints. Service started in March 2022 at the Comfort Market Nishimagome store. Service was expanded to three additional stores in March 2023, and it plans to expand further in the future.

### **Mobile Store Service**

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

# Seven Anshin Delivery

As of the end of February 2023, Seven-Eleven Japan operates 117 vehicles in 41 prefectures for its Seven Anshin Delivery mobile store service. Moving mainly through areas that are inconvenient for everyday shopping or have a large number of seniors who find it difficult to use transportation, these uniquely developed light trucks equipped with store facilities carry about 300 items that include food and household goods and range from frozen products to those at room temperature. Plans call for this service to be expanded further in the future to fulfill the needs of customers.

#### Ito-Yokado Tokushimaru

In collaboration with TOKUSHIMARU inc., Ito-Yokado started operating vehicle No. 1 of the mobile store named Ito-Yokado Tokushimaru from the Minami Osawa store in April 2020. As of the end of February 2023, it operates 103 trucks in 58 municipalities. Ito-Yokado is supporting customers who feel inconvenience by shopping through its mobile supermarket initiative, in which about 400 products totaling 1,200 items are loaded into mobile store vehicles and sold near the residences of customers. Ito-Yokado is also proceeding with enterprises related to neighborhood watch activities in collaboration with local communities.



Seven Anshin Delivery



Ito-Yokado Tokushimaru

# **Store Pick-Up Service**

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

In addition, with the expansion of the electronic commerce market and other factors, there is an increasing trend in the volume of parcel deliveries, and at the same time, labor shortage in the transport industry is growing more severe. Allowing ordered products to be picked up at nearby 7-Eleven stores also contributes to the reduction of redeliveries and the CO2 emitted through these deliveries.

# Material Issue 1 Create a livable society with local communities through various customer touchpoints

# **Reducing Housework**

In order to respond to customer demand for saving shopping time and reducing the hassle of housework, Seven & i Group is developing and selling cooked meal products for those who feel it a burden to prepare meals. These products are based on the concept of individual servings, small portions, and easy-to-preparing.



# **Developing Products and Services that Make Meal Preparation Easy**

Ito-Yokado sells the Chef's RECIPE series, which can be easily prepared using a frying pan or microwave, at the fresh meat and fish sales sections. The selection for cooking with a frying pan\* offers meat and fish that have been cut and seasoned. These meals can be easily cooked with a frying pan in a short time. Customers can also cook them in considering nutritional balance, such as frying them with different vegetables of one's preference. The frozen delicatessen series Frozen Deli, which is convenient for customers when they are busy, is also available at the delicatessen sales section. For frozen foods, EASE UP series are offered as authentic individual-sized meals that can be enjoyed just by microwaving.

\*\*The menu changes according to the seasons.



EASE UP "Kalbi Gukbap"

# Material Issue 1 Create a livable society with local communities through various customer touchpoints

# **Providing Services to a Wide Range of Customers**

Seven & i Group is expanding services and supporting shopping to enable easy use by all customers, including senior citizens, people with disabilities, and foreign residents whose numbers are increasing yearly.



# **Training Dementia Supporters**

Seven & i Group supports the creation, localities where it has opened stores, of neighborhoods where residents who suffer from cognitive impairment and their families can live with security. To this end, we are encouraging our employees to attend training courses for "dementia supporters." Each Group company holds training courses, and the number of the supporters across the 24 Group companies as of the end of February 2023, is 55,986 in total.

In March 2022, Ito-Yokado was the only retailer to announce the "Declaration of Dementia Barrier-free by the Japan Public-Private Council on Dementia" indicating policies and guidelines for promoting dementia barrier-free. The purpose of this declaration is to provide a store environment where persons with dementia and their families can use products and services with peace of mind when they visit our stores, and to foster momentum for a dementia barrier-free society by promoting joint initiatives with corporations and organizations. In addition, in the declaration for dementia barrier-free, Ito-Yokado has set the goal of increasing the percentage of "dementia supporters" among all employees to "50% by FY2022, 75% by FY2023, and 100% by FY2024." Ito-Yokado had 14,571 supporters in fiscal year ended February 28, 2023 and the percentage among all employees stood at 55.9%.

We will continue to strengthen our efforts to develop "dementia supporters."

#### **Number of Dementia Supporter Training Course Takers**

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 (Taget)
Cumulative participants	34,110	37,550	38,383	41,284	55,986	58,000



Dementia supporter training

# **Dementia Meetings by People with Early Dementia**

Seven & i Food Systems has been pouring its energies into training dementia supporters. In July 2019, dementia supporters were posted to nearly all Denny's locations, where they have been engaged primarily in providing help to customers who suffer from cognitive impairments and their families.

Against this backdrop, in September 2020, after Tokyo's Chiyoda City consulted with us about the possibility of holding "Dementia Meetings by People with Early Dementia"\* at one of our locations, the first such meeting took place at the Denny's Nibancho restaurant in the city. Having the meeting in the at-home atmosphere of a family restaurant while being able to enjoy Denny's desserts and other offerings allowed for the lively exchange of ideas and the meeting has won great reviews. Since then, Seven & i has been working in parallel to expand the number of locations where these meetings are held, such as by cooperating with Shinagawa and Ota-ku in Tokyo, Sakai City in Osaka Prefecture, Tsurugashima City in Saitama Prefecture, and Chiba and Ichihara Cities in Chiba Prefecture to hold meetings at Denny's locations opening those respective regions.

Seven & i Food Systems will continue to expand the areas in which these Dementia Meetings by People with Early Dementia are held and contribute to those local communities.

\* Dementia Meetings by People with Early Dementia: These meetings are an initiative being undertaken by many local governments. By providing the opportunity for information exchange to people who have been diagnosed with a cognitive impairment as well as those with concerns about impairments, they serve as a venue for helping to convey their thoughts and for studying what services are needed and community development based on a range of viewpoints.

# **Marketing Products that Support Senior Lifestyles**

According to the Statistics Bureau, Ministry of Internal Affairs and Communications, as of September 15, 2023, the share of the total population of persons aged 65 years old and over (elderly ratio) was estimated 36.23 million, accounting for 29.1% percent of Japan's population. In addition, it is forecast that this percentage will reach 36.3% by 2045. In this context, Seven & i Group is promoting the development and retail of products, and proposing lifestyle solutions, aimed at the elderly.

# Development of "Anshin Support Shop"

Ito-Yokado is developing the Anshin Support Shop at 91 stores, which carries an extensive selection of apparel, daily essentials, and foods, including products that support the health and lifestyles of seniors and care products (as of the end of February 2023). In addition to explanations of products features by sales staff with specialized knowledge on caring including counselors specialized in welfare equipment, these staff are also able to deal with consultations regarding nursing care and welfare issues in general (about 250 counselors as of the end of February 2023).

In addition, Ito-Yokado is working to develop products in response to customer opinions and comments. Products such as the "Petite Size Pajamas" with specifications tailored to the height of the elderly, and the "Triangular-fit Walking Stick" which prevents finger pain with its triangular grip customized to fit the palm and its original-design curved arm, have been well-received by customers.

> For more details about Anshin Support Shop (in Japanese)





Anshin Support Shop

# **Financial Services for Foreign Residents**

The financial services that Seven Bank provides incorporate multilingual guidance in a variety of setting to make more accessible to foreign customers.

For example, when foreign residents with Seven Bank accounts make deposits or withdrawals or use its overseas remittance service, they are supported by ATM screens that handle nine languages. Furthermore, when they make inquiries about their Seven Bank account, it has the contact center staff to handle 10 languages. Also, foreign nationals visiting Japan on vacation or other reasons who wish to obtain Japanese yen can use cash cards and credit cards issued overseas at its ATMs. The ATM screen in these instances is available in 12 languages. Furthermore, to help foreign residents live comfortable in Japan, Seven Global Remit, a subsidiary of Seven Bank offers an overseas remittance service via the "Sendy"\* smartphone application to make it possible to send money easily, conveniently, and with affordable fees. \* By charging (depositing) the "Sendy" account with cash from one of the more than 26,000 Seven Bank ATMs throughout Japan, a customer can easily remit money to Vietnam, Indonesia, and the Philippines from the application.

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

Seven Bank is making daily progress on the ATM functions and services so that all customers can use them with confidence. With its voice guidance service, which is mainly for customers with visual disabilities, users can make a transaction by following voice instructions delivered through an intercom phone installed on the ATM to operate the buttons on the phone. Currently, customers with the cash cards of over 500 affiliated partner financial institutions can use this service. The system of voice guidance was developed after soliciting feedback from people with visual disabilities and testing its operability.

Given how the living environment for people has changed greatly in the 15 years since it was developed, in the fiscal year ended February 28, 2022, it conducted a needs assessment of people with visual impairments through interviews and questionnaires. In order to achieve the SDGs goal of "Leave No One Behind," Seve Bank is working to improve its ATM services based on the opinions it has received and develop them further.



Voice guidance service

# Material Issue 1 Create a livable society with local communities through various customer touchpoints

# **Implementing Crime Prevention Measures for Local Communities**

Seven & i Holdings cooperates in local crime prevention initiatives in line with the operational characteristics of each Group company so that its facilities can provide customers and locals with safety and security.





# **Safety Station Activities**

7-Eleven stores take advantage of the fact that they stay open 24 hours a day every day of the year to conduct Safety Station activities (SS activities). These involve looking out for the safety and security of the community through such activities as providing a place for women and children to seek assistance, protecting seniors, preventing robberies, shoplifting, and designated fraud, responding to accidents and disasters, and helping in the case of a sudden illness. 7-Eleven stores work to promote a healthier environment for young people by not selling alcohol and tobacco products to those under the age of 20 years, for example, and Seven-Eleven Japan also provides information to raise awareness of compliance and crime prevention at franchised stores through "SS Activity Notices" issued monthly.



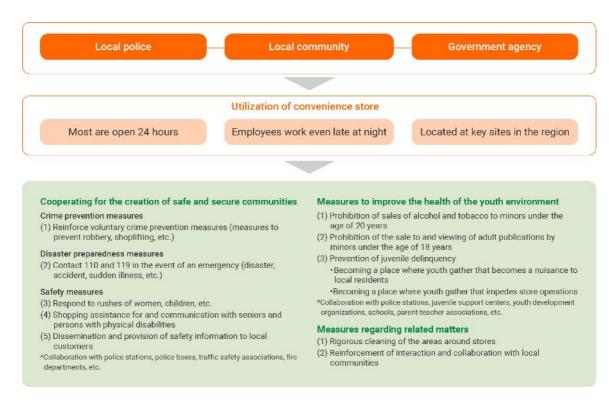
Activities are publicized using posters



Preventing the sale of alcohol and tobacco to those younger than 20 years old



Safty Station (SS) Activity Notice



> The "SS Space" on the Japan Franchise Association (JFA) website (in Japanese)

# **Material Issue 2** Provide safe, reliable, and healthier merchandise and services

# Approach to the Material Issue

The Seven & i Group handles a broad range of products at each company's stores, and also develops a variety of products as private brands. Because of this, we are committed to ensure the quality of our products, including their safety and reliability. We also recognize that it is significant to always put ourselves in the customer's shoes and to take into consideration the health of our customers by providing nutritionally balanced products, using reliable raw materials, and reducing the use of additives. These efforts not only earn the trust of our customers but also create new business opportunities to meet customers' needs. As a Group that handles many of the necessities of our customers' lives, we continue to promote these initiatives.

Relevant policy

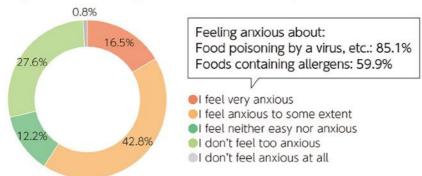
Quality Policy >

# **Background to the Material Issue**

#### Food safety

With the globalization of food and recent incidents and accidents that threaten food safety and security, there has been growing interest in food safety, including the issues of controlling raw materials, food additives, and displaying information about allergens. Answers to a survey by the Cabinet Office showed that about 60% of people feel uneasy about food safety, and there is a need to further strengthen their quality control systems for companies.

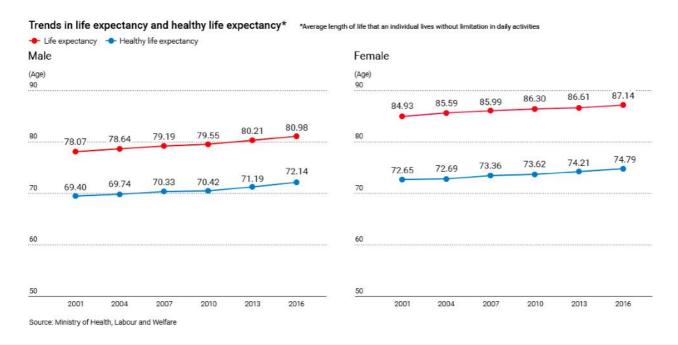
# Degree of Anxiety about Food Safety



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

# Gap between average life expectancy and healthy life expectancy

Although the average life expectancy is increasing year by year, there is a gap of about 10 years between healthy life expectancy, which is the period during which people can live without being limited in their daily lives by health problems, and the average life expectancy. It is important to extend healthy life expectancy and narrow the gap between healthy life expectancy and average life expectancy.



# **Contribution to SDGs**

By addressing this material issue, the Seven & i Group will provide products and services that support safe, secure, and healthy lifestyles and contribute to achieving goals 2 and 3 of the Sustainable Development Goals.





# Seven & i Group's Initiatives

Building a Quality Control System >

Food Safety and Reliability >

**Health and Nutrition** >

# **Material Issue 2** Provide safe, reliable, and healthier merchandise and services

# **Building Quality Control Systems**

Seven & i Holdings is working to introduce international management system standards and management methods regarding quality and hygiene in order to provide safe and reliable products to customers.



# Establishing a Foundation for Quality Control in Each Group Company

Each company in Seven & i Group handles products whose safety has been ensured through checks by the quality control department before purchasing them. Seven & i Holdings is working to establish quality control systems, recognizing that a product incident at one Group company affects the entire Group. Quality control managers at the development division for the Seven Premium line of Group private brand products, 12 Group companies that handle food products, and 10 that handle apparel and household items meet regularly to share their policies and information. These activities are designed to prevent incidents and strengthen the Group's ability to respond rapidly when incidents occur. Specifically, Group companies have established the following foundation for quality control.

Establishing a Foundation for Quality Control

- 1. A system in which specialized quality control departments can objectively determine responses to incidents
- 2. A system for reporting a serious incident quickly to the Representative Director and President
- 3. Guidelines for judging whether to recall products or continue sales if a serious incident occurs

# **Quality Control Training for Employees**

Seven & i Group provides regular quality control training to its merchandisers that handle product development and procurement as well as staff in charge of stores to prevent any accidents and incidents pertaining to products. In the fiscal year ended February 28, 2022, we revised training content, and are developing additional educational content with a view to cultivating future personnel capable of leading the field of quality management.

For those who handle apparel and household items, the entire Group conducts textile training and Pharmaceuticals and Medical Devices Act training through external inspection organizations. Textile training is for those handling textile products (apparel, bedding, etc.), basic textile training is for newly appointed staff, and textile material training and textile sewing training are for existing staff. In addition to knowledge about laws and regulations, such as Household Goods Quality Labeling Act, this training allows them to learn about the process that progresses from thread to textile/knitting, dyeing, sewing, and inspection, as well as process management for manufacturing factories, case studies on defective product incidents, and more. Through this training, we aim to provide our customers with safe and high-quality products. In addition, we are working on expanding training related to sustainable materials and product-specific training curricula with the goal of enhancing content and nurturing a system that enables employees to acquire more specialized knowledge.

#### Results of training held by Seven & i Holdings in the fiscal year ended February 28, 2023

Training Details	Participants	Ratio	Target <sup>%1</sup>
TES <sup>*</sup> 2 acquisition support training	11	57.9%	Those handling procurement of apparel and household goods, those in charge of quality control
Knowledge training on labeling of apparel	87	86.1%	Those handling procurement of apparel and household goods, those in charge of quality control
Knowledge training on AQL <sup>*3</sup>	33	100.0%	Those in charge of quality control
Knowledge training on functionality	64	75.3%	Those handling procurement of apparel and household goods, those in charge of quality control
Knowledge training of product safety	40	65.6%	Those handling procurement of apparel and household goods, those in charge of quality control
Training on accident cause analysis	38	100.0%	Those in charge of quality control
Knowledge training on pottery	46	69.7%	Those handling procurement of household goods and those in charge of quality control
Knowledge training on bath products	32	82.1%	Those handling procurement of household goods and those in charge of quality control
Failure study training	32	100.0%	Those handling procurement of apparel and household goods, those in charge of quality control
Knowledge training on labeling of household goods	42	53.2%	Those handling procurement of household goods and those in charge of quality control
Knowledge training on the Pharmaceutical and Medical Device Act*4	129	100.0%	Those handling procurement of household goods and those in charge of quality control
Knowledge training on sustainable materials	97	89.8%	Those handling procurement of apparel and household goods, those in charge of quality control

X1 Target operating companies for apparel and household items training: Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, Akachan Honpo, THE LOFT, Nissen, and Barneys Japan

**<sup>%2</sup>** Textile evaluation specialist

**<sup>%3</sup>** Acceptance quality limit

<sup>%4</sup> Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices

## **Acquiring Quality Management Certification**

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

#### Participation in the Japan Food Safety Management Association

Seven & i Holdings became one of the founders of the Japan Food Safety Management Association (JFSM)×1, established in 2016 as the primary Japan-created operating body for food product safety management standards, along with food product manufacturers both in Japan and overseas. We did this in partnership with food-related companies, the Ministry of Agriculture, Forestry and Fisheries, and university researchers with the goal of responding to the increased handling of imported foods (globalization) in Japan and improving domestic food safety management. By utilizing the JFS standard×2 developed by this association, we aim to improve food quality as a retail group that is building a supply chain.

Currently, eight Group companies×3 that handle food products have become JFSM members and are promoting the improvement of food safety management levels within the Group. In addition, we are proceeding with the acquisition of JFS standard certification and conformance certification for factories that manufacture the Group's "Seven Premium" private brand products and fresh foods such as Seven-Eleven's boxed lunches, rice balls, sandwiches, delicatessen items, noodles, and bread.

- \*\*1 An organization that creates and operates a Japanese food safety management standard (the JFS standard) and its certification/conformance certification system.
- \*2 A Japanese food safety management standard developed by JFSM that conforms to international standards that include Codex HACCP.
- \*\*3 Seven-Eleven Japan, Ito-Yokado, York Benimaru, York, SHELL GARDEN, Sogo & Seibu, Gottsuobin, Seven & i Food Systems

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

Fresh Food, our original products such as boxed lunches and delicatessen items sold at Seven-Eleven stores, are made by daily manufacturers who are members of Nihon Delica Foods Association (NDF)×1. In October 2018, NDF revised the NDF-HACCP Certification System to the NDF-FSMS certification system×2 in response to the institutionalization of HACCP for the international standardization of food sanitation management. In addition, in March 2020, all NDF member daily manufacturers obtained certification and conformance certification. (Number of the factories as of the end of March 2023: 176)

Similarly, we are working on obtaining certification and conformance certification related to food safety management standards that conform to international standards that include Codex HACCP, such as ISO 22000, FSSC 22000, and the JFS standard, at all manufacturing factories that produce the Group's "Seven Premium" private brand products. (As of the end of March 2023, 99.8% of the manufacturing factories have acquired certification.)

- \*\*1 The NDF was formed in 1979 to improve hygiene quality management levels at Fresh Food manufacturing facilities and to eliminate region-based quality differences.
- \*2 FSMS: The Food Safety Management System (FSMS) is a system designed to manage potential food safety hazards in order to ensure delivery of safe and reliable foods to consumers.
- > For more details about Seven-Eleven Japan initiatives (in Japanese)





#### Acquisition of GAP Certification

Ito-Yokado is recommending the acquisition of Good Agricultural Practice (GAP) certification, an agricultural production process management method, in order to further improve the level of our quality management of its private brand "Traceable Vegetables with Producer's Faces" and "Traceable Fruits with Producer's Faces." GAP certification sets standards that should be implemented in day-to-day farm management to improve safety and protect the environment. Certification has been acquired by 307 producers as of the end of February 2023, and efforts will be made for further certification going forward.

> For more details about Ito-Yokado initiatives (in Japanese)

#### Acquisition of ISO 22000 Certification

York-Benimaru Co., Ltd. acquired certification under ISO 22000, an international food safety management system, at its Otsuki Store in Koriyama City, Fukushima Prefecture in March 2018. Certification has since been expanded to the York-Benimaru Head Office. Going forward, York-Benimaru is committed to expanding the scope of certification to include delicatessen factories of the former Life Foods Co., Ltd., which merged in March 2022. In addition, York-Benimaru will use the experience of acquiring ISO 22000 certification to introduce HACCP systems at all stores while training store employees. The company will also work to provide greater safety and confidence to local customers regarding food products and enhance product quality in all stages from procurement to sale.

In addition, at York, in April 2020, the York Mart Nerima Heiwadai store passed the one-year renewal of the Tokyo Metropolitan Food Sanitation Meister System, considered a step toward ISO certification.

IY Foods, a Group food manufacturer, acquired ISO 22000 certification in August 2016.





Hygiene Management Based on ISO 9001

Seven & i Food Systems' QC Office, the hygiene management department, has acquired the ISO 9001 international standard concerning quality management. Utilizing this system, the company is working to boost both hygiene management and employee training (application scope: Planning and Provision of Food Hygiene Management Systems in Stores). In hygiene management, priority is placed on freshness management that is easy to understand and can be performed by anyone. The QC Office and others conduct checks at stores, and random checks of store hygiene are also conducted by a third-party hygiene inspection organization (wipe inspections). Store employees undergo periodic hygiene management training to raise hygiene management levels.

#### > For more details about Seven & i Foods Systems initiatives (in Japanese)





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

Seven & i Group sells apparel and household items, such as the Group's "Seven Premium" private brand products, while Group companies sell their own private brand products as well. To ensure the safety of these products, we conduct audits of our processes at our manufacturing factories both in Japan and overseas.

Since there is no official certification for manufacturing factories that guarantees a level of quality control for apparel and household items, Seven & i Holdings has established its own standards, and each Group company carries out external audits through specialized external institutions based on these standards. Seven & i Holdings issues a process audit "Compliance Certificate" to factories whose audit results have cleared certain standards.



Compliance certificate

#### Response to Product Incidents and Implementation of Exercises

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

## **External Recognition for Initiatives Addressing Quality Control**

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

- X1 The Ministry of Economy, Trade and Industry has been conferring this award since fiscal 2007 to raise awareness of corporate product safety and establish a culture of product safety that spreads the important value of product safety beyond the boundaries of companies to create a society where product safety is protected everywhere.
- \*2 Every five years after certification, the review committee will follow up to see if the efforts being made at the time of certification are still being maintained.
- Ito-Yokado received the METI Minister Award at the Minister of Economy, Trade and Industry Product Safety Awards in 2011, 2013, and 2015.
- Ito-Yokado was certified as a gold product safety company in 2015.
- Ito-Yokado was certified again (follow-up) as a gold product safety company in 2020.
- Ito-Yokado was once again certified as a gold product safety company in 2021.



single star Gold PS Award mark

# **Material Issue 2** Provide safe, reliable, and healthier merchandise and services

# Food Safety and Reliability

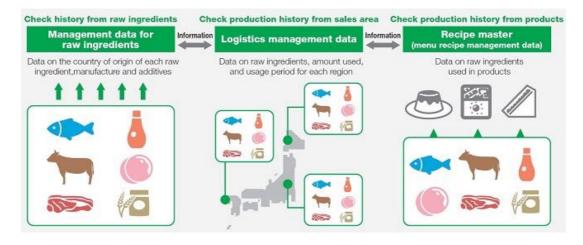
Seven & i Group is working on a variety of measures to emphasize safety and reliability at all stages from raw materials procurement through to sales.

# **Centralized Management of Production Records**

Seven-Eleven Japan uses an average of 40 different food materials (including seasonings) per daily food product item, which includes rice balls and delicatessen items. To manage these individual products and accurately identify which factories produce them and what materials are used in which areas, Seven-Eleven Japan manages information from all its approximately 180 factories using a database system and links to the POS(point-of-sale) data at its stores to precisely manage the production history of its products, from the production region of the materials used to the stores where the products are sold. This allows us to immediately respond to any problems that may occur with raw materials. We also check for the presence of allergic substances and additives in our products to ensure that they are sold with the utmost care. In addition, Seven-Eleven Japan is also able to precisely track the volume of food materials, packaging, and containers used at every factory, which helps it reduce waste by limiting excess production, for instance. Moreover, the company voluntarily conducts DNA testing on rice to prevent the admixture of other varieties as well as testing for radioactive substances.

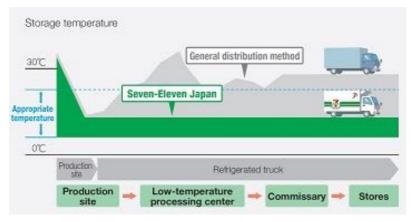
> For more details about Seven-Eleven Japan initiatives (in Japanese)

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



#### **Introduction of Cold Chains**

Various leafy vegetables are used in 7-Eleven's original daily foods (rice balls, sandwiches, stuffed bread, salads, delicatessen items, noodles, and so on). We began introducing cold chains (low-temperature distribution networks) in 2005 for low temperature transportation and processing in order to maintain high levels of freshness of produce from harvesting in the field to delivery to stores. Harvested vegetables are consistently maintained at low temperature in delivery vehicles, at sorting centers and processing factories, and until placement on store shelves. In addition, the active use of domestic produce in regions close to where it was harvested reduces energy use in transportation.



Cold chains (low-temperature logistics networks)

# **Providing Reliable Products**

#### Fresh Foods with Traceability (Traceable Fresh Foods with Producers' Faces)

Ito-Yokado sells products under its private brand Traceable Fresh Foods with Producers' Faces, where it achieves an accurate understanding of production sites, production methods, and distribution channels and communicate these to customers. For these products, its procurement officers check with producers at the production sites to ensure that they are using appropriate cultivation and stock-raising management. Before the products are sold, various tests are conducted, including agricultural chemical residue tests, as well as soil, feed, and water quality tests, and third-party confirmation is obtained. Products are also inspected for radioactive substances. As of June 1, 2023, 238 items are handled under the Fresh Foods with Traceability brand, covering fresh foods including vegetables, fruits, meat, eggs, fish, and rice.

> For more details about Ito-Yokado initiatives (in Japanese)

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



#### Products with Visible Production Areas

York-Benimaru has established a section called "The Secrets Behind the Delicious Taste, and the Safety and Security" on its website, providing information on the production site, characteristics, production process, producers, and other aspects of the fresh food that the company has carefully selected.

> For more details about York-Benimaru initiatives (in Japanese)

#### Approach toward the Use of Food Additives

Seven-Eleven Japan aims for fresh, homemade taste for fresh foods such as boxed lunches, and when using food additives, uses the minimum amount and types necessary. Further, we have set voluntary standards for food additives and make every effort to minimize the use of food additives that are of deep concern to our customers. In addition, with regard to labeling on use of additives, we conform to the Consumer Affairs Agency's "additive free and not-used guidelines" and promote labeling that does not mislead customers.

> For more details about Seven-Eleven Japan initiatives (in Japanese)

#### Reducing Trans-Fatty Acids

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

> For more details about Seven-Eleven Japan's initiatives for the reduction of trans-fatty acids (in Japanese)



#### **Reduction of Trans Fatty Acids**

(Example) Amount per 100 g of Honokana Amami Strawberry Jam Margarine

FY2005	FY2007	FY2012	FY2019	FY2022
1.86g	0.18g	0.15g	0.11g	0.09g

#### **Labeling of Food Allergy Information**

Seven & i Group, in addition to displaying information about seven specified ingredients (egg, milk, wheat, shrimp, crab, buckwheat, and peanuts) that are required to be labeled under the Food Labeling Law, also recommends displaying information about 21 equivalent items\* so that people with food allergies can choose products with confidence. Further, due to the Consumer Affairs Agency adding almonds to the "equivalent items" category in September 2019 in light of the increase in the number of people with allergies caused by almonds, Seven-Eleven Japan and Ito-Yokado have been proactively displaying information about almonds as well.

\*\*Items recommended for the "equivalent items" category: abalone, squid, salmon roe, oranges, cashew nuts, kiwifruit, beef, walnuts, sesame, salmon, mackerel, soybean, chicken, banana, pork, matsutake mushrooms, peaches, yam, apples, gelatin, and almonds

#### Display on all Fresh Foods

Seven-Eleven Japan displays specified ingredients and equivalent items on all fresh foods, including boxed lunches, rice balls, sandwiches, delicatessen items, noodles, bread, and pastries. Additionally, for in-store cooked products (hot snacks, oden, Chinese steamed buns), the use of specified ingredients is displayed on in-store POP, and information on specified ingredients and equivalent items is disclosed on the website.

> For more details about allergy information of in-store cooked products (in Japanese)

#### Display on Products Cooked In-store

At Ito-Yokado, in-store cooked sushi, delicatessen items, etc. are labeled with "specific raw materials" and "equivalent items (excluding almonds)." The food products in the container have allergy information on their labels. For the products sold separately without packaging, a list of allergens contained in each product is posted at the store.

#### Display on menu book and terminal tablet

Ever since the menu revision in September 2018, Denny's of Seven & i Food Systems has printed information about the use of allergens (specified ingredients and equivalent items) to all menus for all time zones. In addition, a list of allergy information is available on the website, and customers can also search the menu name by allergen only in Denny's instore menu.

> For more details about Denny's initiatives (in Japanese)

#### Sales of Products with Food Allergy Considerations

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

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

At the Denny's restaurant chain managed by Seven & i Food Systems, there is a low-allergen menu and low-allergen cake for children that do not include any of the seven specified allergens (eggs, milk, wheat, buckwheat, peanuts, shrimp, and crab), created out of consideration for children who have food allergies. When the meals are prepared at the restaurants, employees cook and arrange the food in an area separate from the regular cooking line, and the tableware is individually washed and stored to prevent secondary contamination by allergens.

#### > For more details about Denny's initiatives (in Japanese)



Low-allergen menu



Low-allergen cake

# **Conducting Food Allergy Workshops**

As part of its initiatives to understand food allergies, Seven-Eleven Japan has been co-hosting online workshops since 2021 with the Atopicco Network for Children of the Earth, an authorized NPO. The workshops targeted people in their 10s and 20s with food allergies, and their guardians. At discussions held in November 2022, participants shared how they chose actual products and provided other information, deepening mutual understanding. Seven-Eleven Japan is committed to continued efforts to make display of allergens more accessible by referring to the opinions from the workshops.



Meeting with the NPO



Workshop on food allergies

# **Regarding Handling of Genetically Modified Foodstuff**

Seven & i Goup labels genetically modified foodstuffs in accordance with relevant domestic regulations. In addition, genetically modified ingredients are not used for the main ingredients—for which labeling is obligatory—of products under the Group's private brand Seven Premium (excluding certain products such as soy sauce and oil which use genetically modified potatoes, corn, soy beans, and other products which are permitted to be imported by the Japanese government).

# **Inspection for Radioactive Substances**

In response to an increase in inquiries about radioactive materials since the Great East Japan Earthquake, Seven & i Group voluntarily conducts inspections to complement the monitoring conducted by the government, and we have posted details on our website. Inspections for radioactive substances are conducted for Ito-Yokado's Traceable Foods with Producers' Faces and the results are published on its website.

Further, York-Benimaru, has also been posting the results of the inspection of radioactive materials conducted by its business partners and government agencies on its website.

- > For more details about Ito-Yokado initiatives (in Japanese)
- > For more details about York-Benimaru initiatives (in Japanese)

# **Material Issue 2** Provide safe, reliable, and healthier merchandise and services

#### **Health and Nutrition**

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

In May 2020, in order to create new value for the Group's "Seven Premium" private brand products, the "Seven Premium Connect Declaration" was formulated. It consists of four pillars: eco-friendliness, health-consciousness, high-quality products, and global compatibility. Specific measures included displaying sugar and dietary fiber content on nutrition labels (since September 2019), developing products with reduced salt and sugar, and encouraging the reduction of additives. In development of Seven Premium products, the optimal supplier and Group product development division form a team for the product, and specialists from both sides contribute their information and expertise in a process called "team merchandizing." The teams include suppliers who have nutrition and health experts or R&D centers of their own.



Example of health food products



Soda Water "Seven Premium Sonomama Nomeru Tansansui Plus 490 ml" Food for specified health use containing 5 g indigestible dextrin (as dietary fiber)

## **Sales of Healthy Food Products**

As of June 2021, Seven-Eleven Japan released a new healthy product series in response to increasing demand for healthier food. Marked with a special logo and labelled in accordance with food labeling guidelines, these products feature selling points intended to appeal to health-conscious consumers such as protein or dietary fiber content, or that contain at least one-half of the daily requirement of vegetables\*. Seven-Eleven Japan plans to expand upon these kinds of product lineups in the future.

In addition, Ito-Yokado offers boxed lunches supervised by national registered dietitians, with attention given to nutritional balance. By adding dietary fiber, vegetables, and so on, reducing salt and sugar content, and using fewer additives, we will provide customers with healthier products that meet their specific needs.

In light of the need for plant-derived protein, we are increasing the lineup of products that use soy-based meat in the Group's Seven Premium line of private brand products.

<sup>\*</sup> The Healthy Japan 21 (Secondary) guideline for vegetable consumption is an average of 350 g per day.



Examples of Seven-Eleven dedicated logo



Boxed lunch supervised by national registered dietitians



Seven Premium soy-based meat ham cutlets



Seven Premium soy-based minced meat cutlet

#### **Labeling of Nutritional Components**

In addition to the five components\* of energy, protein, fat, carbohydrates, and salt equivalents stipulated by the Food Labeling Law, the Seven & i Group started to display two items often requested by customers: sugars (available carbohydrates) and dietary fiber. Sugar and dietary fiber content are displayed on the Group's "Seven Premium" private brand products, fresh foods such as 7-Eleven's boxed lunches, rice balls, sandwiches, delicatessen items, noodles, and sushi and delicatessen items cooked in Ito-Yokado stores. In addition, for certain products of "Seven Premium," we also provide voluntary labelling of items such as saturated fatty acids, trans-fatty acids, and cholesterol. Calorie counts are printed on the front of many products to make it easier for customers to find when selecting a product. At the same time, given that nutritional labeling has become complex and that labeling methods differ from product to product, understanding what a product's features are has become difficult. Accordingly, the packaging design that brought uniformity to each feature has been carried on in products unique to Seven-Eleven Japan and is also being used for the Seven Premium line. The design features icons colored in orange or green on the face of the packaging. The green icon is used to indicate nutrients like sugar and salt that should not be consumed in excess of what is necessary, while the orange icon indicates nutrients like protein and dietary fiber that should be supplemented.

\* Excluding some products with discretionary labeling and small surface area



Example of nutritional labeling showing sugars and dietary fiber for "Seven Premium Potato Salad" Nutrition facts label: 1 package, per 120 g Energy: 172 kcal / Protein: 2.4 g / Fat: 8.4 g / Carbohydrates: 22.6 g (Sugars: available carbohydrates: 20.9 g / Dietary fiber: 1.7 g) / Salt equivalents: 0.7 g

\* Estimated values based on sample analysis



Example of nutritional labeling showing trans fatty acids for "Seven Premium Seven Bread (Six slices)"

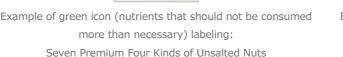
Nutrition facts label: Per slice Energy: 178 kcal / Protein: 5.9 g /

Fat: 2.1 g (Saturated fatty acids: 0.35 g / Trans fatty acids: 0 g) / Cholesterol: 0 mg /

Carbohydrates: 34.7 g (Sugars: available carbohydrates: 32.9 g/Dietary fiber: 1.8 g) / Salt equivalents: 0.7 g

\* These values are approximate. Per 100 g of sodium chloride, amounts less than 0.1 g of saturated fatty acids, less than 0.3 g of trans acid, and less than 5 mg of cholesterol are presented as 0 g.







more than necessary) labeling:

Seven Premium Four Kinds of Unsalted Nuts

Example of orange icon (nutrients to be supplemented) labeling: Seven Premium Edamame and Hijiki Tofu Bar

# 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 >

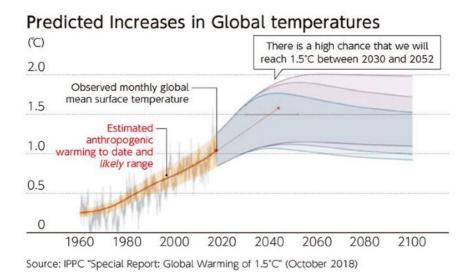
Seven & i Group Sustainable Sourcing Principles and Policies >

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  $1.5^{\circ}$ C" released by the IPCC (Intergovernmental Panel on Climate Change) in 2018, the average temperature has risen by about  $1.0^{\circ}$ C compared to before the Industrial Revolution, and it is said that  $CO_2$  emissions must be reduced to net zero by 2050 to keep the temperature rise at  $1.5^{\circ}$ C.



#### **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  $CO_2$  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) >

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

# **Environmental Management**

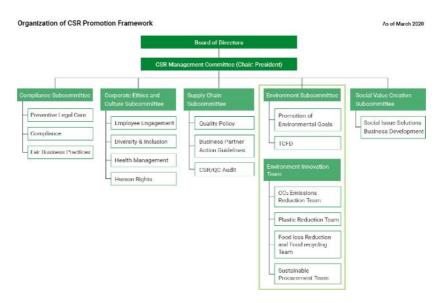
Seven & i Group is actively working to reduce its environmental impact in order to contribute to the creation of a sustainable society and leave a prosperous planet to future generations. In May 2019, we announced the "GREEN CHALLENGE 2050" environmental declaration, which sets out our vision for society 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 CO<sub>2</sub> Emissions

To correctly assess and verify the initiatives taken to reduce environmental impact, each year since 2015, Seven & i Group has undergone third-party audits of 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 CO<sub>2</sub> emissions associated with "purchased products and services" (procurement of raw materials, outsourcing of packaging, procurement of consumables, etc.) from among the 15 categories of Scope 3.



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 m<sup>3\*</sup>, 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 (1,000㎡)	24,809	23,606	20,537	20,893	19,424
Water consumption per million yen in sales (m/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).

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

# **Climate Change Countermeasures**

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





# **Managing Climate Change Risks**

Seven & i Holdings is affected by various risks related to climate change. These include regulatory risks from tighter regulations in Japan and overseas, physical risks from the occurrence of major disasters as well as changes in customers' purchasing 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 managemen t. In particular, the impact from changes in temperature and the occurrence of major natural disasters extends beyond damage to store equipment and distribution networks, restrictions or halts to trading, and sales opportunity loss; it can also affect the Group companies' product suppliers and raw material prices. Climate change is therefore a risk factor for all aspects of operations, from product development and production to distribution, store operations, and product lineups. Seven & i Holdings therefore recognizes that developing and implementing a business model that can cope with weather and climate change is important for maintaining its growth.

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

Twice each year, each Group company identifies risks affecting that company based on the shared Group risk categories. Companies quantify risk assessments based on the degree of impact and the likelihood of occurrence of each risk, organize countermeasures for each risk in a risk assessment table, and submit the table to their Risk Department (Risk Management Committee Office). The risk assessment table should include not only quantitative but also qualitative risks, such as CO<sub>2</sub> emission regulations, business continuity risks due to recent large-scale typhoons, and changes in growing regions and fishing grounds for product raw materials.

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

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

> Response to TCFD Recommendations

#### Measures for Adaptation to and Mitigation of Climate Change Risks

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

The "Seven Farm" environmental recycling-oriented agriculture initiative of Ito-Yokado buys the entire quantity of harvested produce, including imperfect shape/size items. This enables us to procure and sell vegetables steadily regardless of market trends. In this way, we are also addressing the aspect of stable product procurement. These Seven Farms are located in 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 CO<sub>2</sub> Emissions

Approximately 90% of the  $CO_2$  emissions by each Seven & i Group company are from the energy use for store operations. For this reason, we set a target of reducing  $CO_2$  emissions from store operations to net-zero by 2050 so that  $CO_2$  emissions may not increase in conjunction with the expansion of business and increases in the number of stores.

#### CO<sub>2</sub> Emissions Resulting from Store Operations\* (kt-CO<sub>2</sub>) (t-CO2) CO2 emissions per 3,000 100 7-Eleven store (right axis) Seven-Eleven Japan 1,229 2,400 90 Ito-Yokado 293 2,011 1.970 York-Benimaru 178 1836 1,800 80 Sogo & Seibu -Seven & i Food Systems 38 70 1,200 York 64 60 600 THE LOFT 17 56. 55.8 56 4 Akachan Honpo 12 SHELL GARDEN 37 50

\*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

(FY)

II IY Foods 1

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

2021

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

2022

## 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 CO<sub>2</sub> 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.

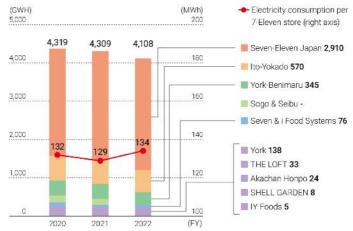
\*Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, Seven & i Food Systems, THE LOFT, Akachan Honpo, Seven & i Create Link

#### 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.

#### Electricity consumption in 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 FYZ021 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.







Solar panels

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

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



Large-scale solar panels at Ario Ichihara store

#### Start of Energy-Saving Store Demonstration Test

Seven-Eleven Japan opened the Ome Shinmachi 7-Eleven store as a test store for energy saving using state-of-the-art equipment and technology. As part of our efforts to reduce  $CO_2$  emissions from store operations based on the Group's "GREEN CHALLENGE 2050" environmental declaration, this store has introduced various energy-saving $^{\times 1}$  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.



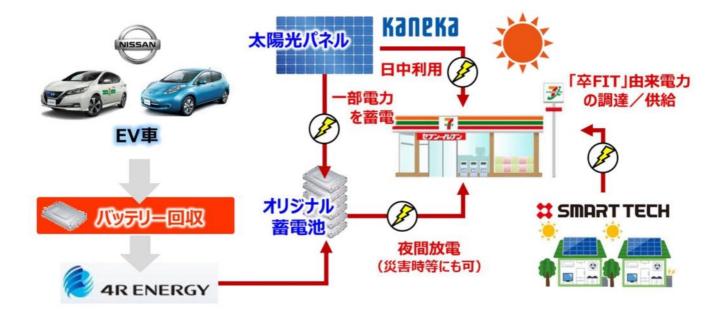
#### Commencement of Trial Test on 100% Renewable Energy Store Operation

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  $CO_2$  emissions through this initiative.

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

#### Overview of Initiative



#### 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

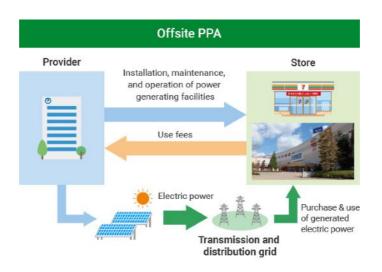
# Introduction of Green Electricity in Stores, Including Japan's First Offsite PPA

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<sup>\*\*1</sup> 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 $^{\times 2}$  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 CO<sub>2</sub> 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, CO<sub>2</sub> emissions will be reduced by about 10,000 tons<sup>×1</sup> 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

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

#### **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 CO<sub>2</sub> emissions per carton from the raw material procurement and manufacturing process is around 12% lower compared with the aluminum cartons. Therefore, this initiative has resulted in a reduction in CO<sub>2</sub> emissions of approximately 250 tons per year, the equivalent of the CO<sub>2</sub> absorbed by approximately 18,000 cedar trees.



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

#### **Use of Biomass Raw Materials**

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



Example of Salad Cup Container using environmentally friendly PET



Bioplastic container



Cut fruit inside a bioplastic container

#### Adopting "Rice Ink" for Package Printing

In April 2016, Seven-Eleven Japan introduced rice ink for printing the packaging of rice balls sold at its stores. Rice ink is made from rice bran oil, a non-edible part of the plant extracted from rice bran. This ink reduces the Company's annual CO<sub>2</sub> emissions by around 60 tons compared with conventional petroleum-based inks and is therefore aiding in reducing environmental impact. Moreover, the packaging is also contributing to our efforts to promote local production for local consumption by using domestically produced rice bran oil, which is one of the raw materials.

In December 2016, Seven-Eleven Japan changed to plant-based packaging film and ink for its original bakery products. Compared with the previous oil-based packaging, this has therefore reduced the Company's annual CO<sub>2</sub> emissions by approximately 108 tons.



Product packaging made from plant-derived raw materials 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 CO<sub>2</sub> 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

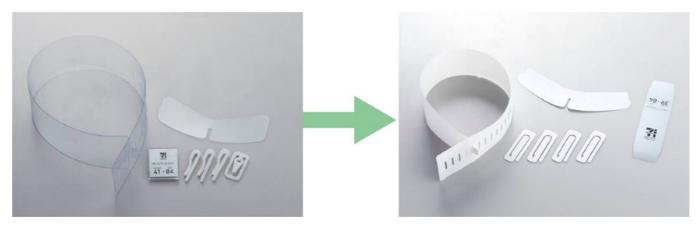
#### **Introduction of Environmentally Friendly Cutlery to All Stores Nationwide**

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



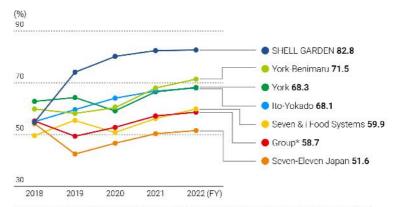


#### **Our Approach to Reducing Food Waste**

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-Benimeru 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

<sup>\*</sup> 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.

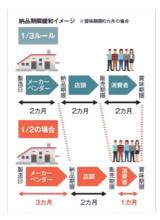


Image showing relaxed delivery deadlines

#### **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 Inititatives

#### 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 karashimentaiko (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.

Further, to convey the value of these certified products to customers, some stores have installed point-of-purchase ads in fish sections that explain the certifications.

#### \*MEL: Marine Eco-Label Japan

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

https://www.melj.jp/



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.







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

<sup>\*</sup> 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.



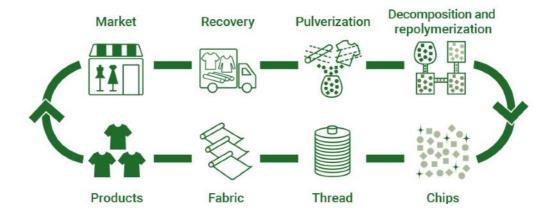
Seven Premium Lifestyle 100% Organic Cotton Innerwear

#### 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<sup>\*1</sup>) 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<sup>2</sup>) 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<sup>2</sup>). In the fiscal year ending February 28, 2023, we distributed live and on-demand streamings (666 participants from 480 companies<sup>2</sup>).

- ◆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  $CO_2$  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<sup>\*1</sup> Calculation

Seven & i Holdings is working to reduce CO<sub>2</sub> emissions and evaluate its environmental impact at every stage from the supply chain through to sales and consumption, as stated in its Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming. To this end, the Group has calculated the CO<sub>2</sub> emissions ("Scope 3") throughout the entire supply chain following the "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain Ver. 2.4." 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 CO<sub>2</sub> emissions across the entire supply chain.

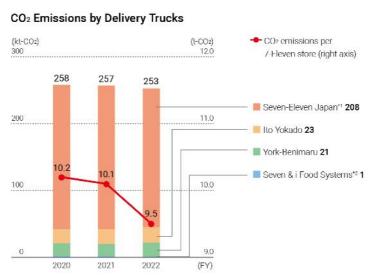
- \*\*1. "Scope 3": CO<sub>2</sub> emissions other than those from the company, emitted from its procurement of raw materials and products, transportation, and product use, together with CO<sub>2</sub> emissions from waste disposal processes
- ※2. The following 10 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, SHELL GARDEN, 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 <sub>2</sub> )	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 CO<sub>2</sub> Emissions from Deliveries

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



<sup>\*1</sup> The values include CO₂ emission from distribution center operations.

<sup>\*2</sup> 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 CO<sub>2</sub>, with the goal of reducingCO<sub>2</sub> 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-CO<sub>2</sub> 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 have installed ecofriendly 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. · Ambitious 2030 Target to realize the Paris Agreement in Japan (April 2021) <support jci="" of="" policy="" recommendations=""> · 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)</support>
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="">  JCLP welcomes Japan's new 2030 GHG Emissions Reduction Target (April 2021)</support>
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.

Japan Hydrogen Association (JH2A)	Member (LINK: Japanese)	The purpose of the association's activities is aligned with the initiatives to reduce CO <sub>2</sub> 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.
Kyoto Beyond SDGs consortiums, Kyoto University	Member (LINK: Japanese)	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.
Sustainable Future Society Creation Platform, Tokyo University	Member (LINK: Japanese)	This platform pursues the creation of a sustainable society mainly from the perspective of energy systems. The platform contributes to the reduction of CO <sub>2</sub> emissions and the construction of a sustainable society, which is the goal of the environmental declaration "GREEN CHALLENGE 2050."

## Material Issue 4 Achieve a society in which diverse people can actively participate

#### Approach to the Material Issue

The Seven & i Group believes it is significant to realize a society in which diverse people with various backgrounds and values, including race, nationality, gender, age, religion, disability, and sexual orientation, can participate actively.

Promoting cross-cultural understanding and supporting the next generation who will create the society of the future will lead not only to the development of society as a whole but also to the provision of products and services demanded by society. We continue to promote initiatives that enable the entire society, as well as our group, to respect various values and lifestyles.

Relevant policy

Seven & i Group Corporate Action Guidelines >

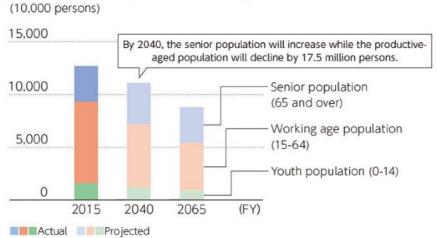
Seven & i Group Human Rights Policy >

#### Background to the Material Issue

#### Aging Population and Decline in Productive-Aged Population

In Japan, the birth rate is in decline, and the population is advancing in age, leading the productive-aged population to decline. By 2040, the productive-aged population is projected to decline by approximately 17.5 million as the senior population increases. Supporting the development of the next generation is important for realizing a better society.

### Population Projections for Japan in 25-Year Periods

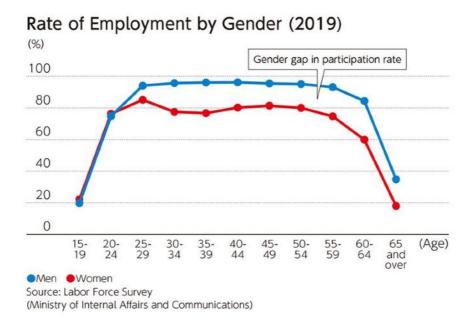


Source: Population Estimates, statistics Bureau. Ministry of Internal Affairs and Commutations Population Projections for Japan (2017 Estimates). Statistics from the National institute of Population and Social Security Research

#### **Supporting Active Participation of Women**

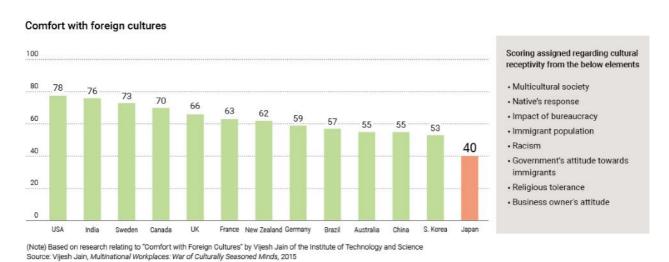
With the productive-aged population in decline, it is essential to promote active participation by women. However, many women are denied the opportunity to work, for example, because it is not possible to balance work with childcare, or because they have been unable to return to work after childcare. Furthermore, in Japan, the ratio of women in management - at 12.4%\* (2020) for those in positions equivalent to section manager and above - is relatively low by international standards. Creating a society where women can participate actively is therefore an important task.

\* From "Basic Survey of Gender Equality in Employment Management in FY2020," Ministry of Health, Labour and Welfare



#### **Receptivity to Other Cultures**

Compared to multiple countries, Japan's receptivity to cultures different from one's own is particularly low. To create a society in which diverse people can participate actively, we must respect other cultures as well.



#### **Contribution to SDGs**

By addressing this material issue, the Seven & i Group will support the active participation of diverse people, including gender equality, and contribute to achieving goals 5 and 10 of the Sustainable Development Goals (SDGs).





### Seven & i Group's Initiatives

**Support the Development of the Next Generation** >

# Material Issue 4 Achieve a society in which diverse people can actively participate

#### Support the Development of the Next Generation

Amid the trend toward nuclear families, there are often fewer people whom parents can easily turn to with questions about raising their children. In light of this, Seven & i Group offers various types of support through its stores.







#### **Maternity and Childcare Counseling Service**

Ito-Yokado has placed maternity and childcare consultation offices in 98 stores (as of the end of February 2023). Here, consultants certified as public health nurses and midwives provide free consultations on health during pregnancy and childcare. Each of these facilities offers restrooms equipped with such conveniences as diaper-changing tables, private spaces for breastfeeding, water heaters for milk formula, and toilets for children. In addition, the consultants also collect information on the types of assistance offered by local governments and provide this information to users.



Childcare consultation office

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

FY2018	FY2019	FY2020	FY2021	FY2022
239,934	224,552	111,326*	137,559	146,210

<sup>\*</sup> In response to the declaration of a state of emergency amid the spreading COVID-19 pandemic, the number of consultations declined substantially in the fiscal year ended February 28, 2021 due to people refraining from using the service and the closure of some offices.

### Supporting Pregnancy, Childbirth, and Child-Rearing through Co-Creation with Various Companies

Akachan Honpo is promoting the "with akachanhonpo" co-creation project, an initiative undertaken with midwife venture companies and consulting and other companies that focus on child-rearing and MaaS\* to solve social issues relating to pregnancy, childbirth, and child-rearing. For example, the project established a community site on Twitter that enables anyone to feel free to ask a midwife questions and provides free specialized content prepared under the supervision of midwives about physical and mental wellbeing. The project continues to provide new value such as solving issues relating to meals and providing support for creating memories for parents and children. By transcending the boundaries of companies in this way, new products and services are created, and we are able to provide unprecedented value.

\* Mobility as a Service: A service that combines transportation services including multiple forms of public transportation and taxis and performs searches, reservations, payment, and so on in response to the mobility needs of each individual.



#### **Childcare Support Events**

Ito-Yokado holds various events to provide childcare advice and encourage mutual interaction among parents. The company also actively takes part in events in collaboration with universities, municipalities and several product manufacturers to maintain and promote the health of mothers, offer techniques for relaxation and rejuvenation and provide helpful childcare-related information. The overarching theme of the events is "enjoyment at home through public-private-academic partnerships." Through these events, it is helping to expand community childcare support networks. (To prevent the spread of COVID-19, no events were held in the fiscal years ended February 28, 2021, February 28, 2022, and February 28, 2023.)

And since 2021, Ito-Yokado has started holding Kids Workplace Experience Tours, where parents and their children can enjoy learning. These tours are events at which they can join workplace experience programs at Ito-Yokado and learn about such matters as store development that seeks customer satisfaction and initiatives that are considerate of hygiene management and the environment from the perspective of SDGs.

In the fiscal year ended February 28, 2023, tours were conducted at 89 stores, and a total of 2,520 customers participated.





Kids Workplace Experience Tour, where they learn from the perspective of SDGs

#### **Supporting Career Education**

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

In the fiscal year ended February 28, 2023, Ito-Yokado conducted workplace tours and workplace training programs at 64 stores with 4,004 elementary and junior high school students from 154 schools participating.

#### 7-Eleven Store in Shinagawa Student City

Seven-Eleven Japan has a store in Shinagawa Student City, which has been run jointly by Shinagawa-ku and Junior Achievement Japan since 2003. The concept of Shinagawa Student City is to create a virtual town inside an elementary school, with various companies setting up shops and providing experience of working and society. The children working in the 7-Eleven store experience customer service, store shelf organization, and other operations to learn about the systems of society.



Shinagawa Student City

> More details about the Student City economic activity experience can be found here (in Japanese)

#### Workplace Experience at Stores

Ito-Yokado welcomes elementary, junior high, and senior high school students from educational institutions for workplace experience programs. They experience the joy of thinking up and expressing their own proposals through such interactions with customers as coordination proposals and in-store sampling, and they experience the importance of complying with basic standards to ensure safety and reliability. To prevent the spread of COVID-19, it conducted workplace tours using online conferencing tools in the fiscal years ended February 28, 2021 and February 28, 2022. York provides opportunities to observe store sales areas and to experience product manufacutring, shelf stocking, and other activities. To prevent the spread of COVID-19, stores refrained from holding such in-store studies in the fiscal year ended February 28, 2023. Among other things, however, they did respond to interviews from teachers and distribute the CSR booklet "Our Initiatives for Society" and the Environment to students. In addition, York used teleconferencing tools at some stores to link the stores with classrooms and enable store managers to be interviewed, and some managers visited schools to teach lessons.



Workplace experience program with online conferencing tools (Ito-Yokado)

#### Workplace Experience at Training Center

Seven & i Group training facility, Ito Training Center, provides store shelf organization and food processing experiences, as well as opportunities to provide service from various customer perspectives, such as helping customers in wheelchairs. Through these experiences, students can feel the value of working and the joy of interacting with customers.



Learning about cash registers through hands-on experience at Ito Training Center

#### **Outreach Classes for Company-School Exchange**

Seven-Eleven Japan holds outreach classes at an elementary school as a part of the Yomiuri Education Network, which seeks to increase interactions between companies and schools. Through the group work, the children come to understand in a fun way the roles that 7-Eleven plays in society. At the same time, they learn about how the products and services of 7-Eleven, which aims to build stores that are convenient and close to people, have changed (CRM strategy\* and response to SDGs) in accordance with changes in society (changes in customers' needs). The class provides a good opportunity for children to think about their society from the everyday perspective of a convenience store.

\*CRM strategy: Customer Relationship Management strategy

This is a management strategy/method aimed at expanding sales and improving profitability through improving customer satisfaction and loyalty.





Outreach class in progress

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

Since 2005, Seven Bank has cosponsored the publication of Bonolon, Warrior of the Forest, which is a free picture book created with the hope that such qualities in the heart-warming world of Bonolon as kindness and courage will help future generations grow to have enriched minds. The bank also publishes about 3 million picture books annually and distributes them free of charge,\* produces large-size picture books, holds storytelling sessions for children, and conducts other programs, promoting communications between parents and children and contributing to the healthy development of children over the 18 years since its launch.

\* With the aim of making them readily available for children, parents, and grandparents all over Japan, copies are issued on the 15th day of every even month and distributed free of charge at 7-Eleven stores and Denny's restaurants throughout Japan as well as Akachan Honpo stores.



Storytelling session led by employee volunteers

#### **Support for Dietary Education**

Seven & i Group promotes dietary education activities for children through various experiences in order to prepare them to be people who can convey knowledge about foods and practice sound and healthy dietary habits.

For example, some Denny's restaurants operated by Seven & i Food Systems regularly hold dietary education classes for children. These classes are opportunities for children to learn about how to use chopsticks, knives, forks, and spoons as well as proper table posture and other basic etiquette. They are also opportunities to learn in an enjoyable way through explanations

children. These classes are opportunities for children to learn about how to use chopsticks, knives, forks, and spoons as well as proper table posture and other basic etiquette. They are also opportunities to learn in an enjoyable way through explanations using ingredient-themed panels and quizzes on seasonal vegetables, and more. While stores have refrained from holding face-to-face classes to prevent the spread of COVID-19 since 2020, it holds dietary education classes via online meeting tools.



Dietary education class

### D&I Training Conducted to Teach the Key Points of Communicating with Diverse People

Seven-Eleven Japan conducted D&I training for employees who work at stores as an opportunity to learn the key points of communciating with diverse customers and employees including seniors, persons with disabilities, and foreign residents and employees. Seminars and group sessions deepen participants' understanding. Part of the training included incorporating the Job Supporter for Persons with Mental Developmental Disabilities training held by the Ministry of Health, Labour and Welfare, which was attended by 275 persons through the end of February 2023. In the future, the company will continue to support interactions by personnel with diverse people, efforts aimed at better communciations, and the creation of a society where all people can live comfortably.

## **Material Issue 5** Improve work engagement and environment for people working in Group businesses

#### Approach to the Material Issue

In the entire Seven & i Group, more than 160,000 people work. Workplaces include part-time employees, foreign nationals, and employees working short hours due to childcare and family care responsibilities. With this diverse workforce, we recognize that we have a duty as a corporation to support diverse working formats. We support the careers of our diverse employees and strive to create appealing workplaces that make work worthwhile. This enables us to steadily acquire diverse human resources, and also drives us to incorporate completely new ways of thinking and generate new value. It is therefore a source of competitiveness.

Relevant policy

Seven & i Group Corporate Action Guidelines >

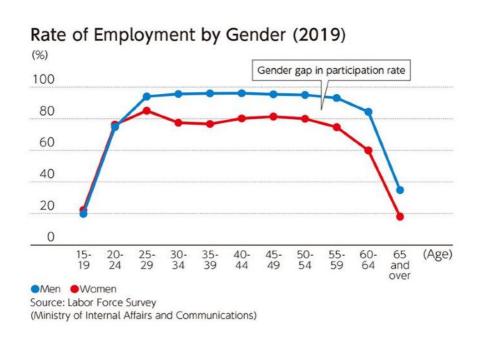
Seven & i Group Human Rights Policy >

#### **Background to the Material Issue**

#### **Supporting Active Participation of Women**

With the productive-aged population in decline, it is essential to promote active participation by women. However, many women are denied the opportunity to work, for example, because it is not possible to balance work with childcare, or because they have been unable to return to work after childcare. Furthermore, in Japan, the ratio of women in management - at 12.4%\* (2020) for those in positions equivalent to section manager and above - is relatively low by international standards. Creating workplaces where women with high capabilities can play active roles is, therefore, an important task.

\* From "Basic Survey of Gender Equality in Employment Management in FY2020," Ministry of Health, Labour and Welfare



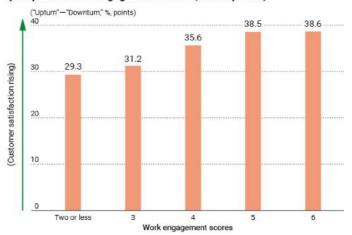
#### **Improve Workers' Motivation**

Most workers spend much of their day working at their companies. However, it is said that the motivation to contribute to the company is lower in Japan than in the rest of the world, and the challenge is how to make workers feel more motivated.

#### **Improve Work Engagement**

It is believed that there is a positive correlation between the Work Engagement Score, in which people feel pride and satisfaction in their work and are lively and enthusiastic about it, and customer satisfaction. Improving work engagement and environment for people working in Group businesses will lead to higher satisfaction not only for the Group itself, but also for its customers.

### Company awareness relating to customer satisfaction levels indicated by respective work engagement scores (all companies)



Source: Independent aggregation by the Policy Planning Division assistant to the Director-General for Policy Planning and Evaluation, Ministry of Health, Labour and Welfare from Individual data in the Japan Institute for Labour and Policy Training "Survey on current circumstances surrounding personnel shortfalls and related issues and workstyles etc." (2019)

#### **Contribution to SDGs**

By addressing this material issue, the Seven & i Group will contribute to achieving goals 5, 8, and 10 of the Sustainable Development Goals (SDGs) by improving work engagement and environment for people in the Group's businesses regardless of gender or age.







### Seven & i Group's Initiatives

Diversity and Inclusion > Achieving a Work-Life Balance > Support for Enhancing the Abilities of Employees >

Assuring Fair Assessment and Treatment of Employees >

Consideration for Employee Health and Occupational Safety and Health > Employee Engagement & Culture Survey >

Sound Labor-Management Relations >

# **Material Issue 5** Improve work engagement and environment for people working in Group businesses

# **Diversity and Inclusion**

Seven & i Group is building an organization in which diverse human resources are motivated to demonstrate their abilities and in which the company and employees can grow together by strengthening the linkage between management strategy and human resource policy. Employees with a diverse range of attributes, experience, and knowledge work at each of the Group's workplaces. Seven & i Holdings supports the activities of this diverse workforce and strives to build work environments that enable employees to work with satisfaction. We also recognize that such an approach leads to improved productivity and the securing of human resources and in turn to the improvement of customer satisfaction and generation of innovation, as well enhancing our competitiveness.







# Targets and Steps for Promoting Diversity and Inclusion

To promote diversity and inclusion, Seven & i Holdings established the Diversity Promotion Project in 2012 and set five targets, including for the ratio of female managers. Thus, after establishing the promotion structure in FY2012, we have pursued various initiatives, such as those for the empowerment of women, a revision of personnel system operations, as well as initiatives to raise the awareness of management-level employees, support the balancing of work and family care responsibilities, and promote understanding of LGBT issues. To strengthen our diversity and inclusion activities, and especially initiatives relating to the promotion of the activities of women, in May 2021 we joined the 30% Club Japan and set a new target of raising the ratio of female executive officers to 30% by the end of February 2026. At the same time, we have also reviewed working formats for greater productivity, focusing on rectifying long working hours, which have been a barrier to the further advancement of diverse human resources, and on achieving employee work-life balance.

# **Diversity Promotion Targets**

- 1. Ratio of female executive officers: Raise to 30% (by the end of February 2026) \*1 Ratio of female managers: Raise to 30% (by the end of February 2026)\*2
- 2. Encourage male employees to participate in housework and childcare
- 3. Eliminate retirements resulting from need to provide family care
- 4. Promote normalization
- 5. Encourage understanding of LGBT
- \*1 Totals are for four companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru
- X2 Totals are for seven companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Akachan Honpo, Seven & i Food Systems, Seven Bank

# **System to Promote Diversity and Inclusion**

Based on the commitment of its top level members, Seven & i Holdings established the Seven & i Group Diversity and Inclusion Project (initially referred to as the Diversity Promotion Project) in 2012 within the Corporate Ethics and Culture Subcommittee under the CSR Management Committee. This project has involved the formulation of policies for activities to promote diversity and inclusion at the Group as well as the formulation and execution of Group-wide measures.

From 2013 specialized organizations for diversity have also been established including Seven-Eleven Japan and Ito-Yokado. Such organizations have set individual goals in accordance with the characteristics of each Group company and initiatives are being implemented. In addition, a Diversity Promotion Liaison Council - at which persons in charge of diversity promotion at 11 main Group companies, is held on a regular basis. The aim of this council is to share information on the progress of and issues related to promotion activities at each Group company while also expanding superior initiatives to other Group companies. The details of activities are reported on regularly at the Corporate Ethics and Culture Subcommittee at which personnel and CSR managers from 28 Group companies attend, and the CSR Management Committee chaired by the President and Representative Director of Seven & i Holdings. The aim is to spread and bring to concrete fruition diversity and inclusion activities throughout the entire Group.

> Website for the Declaration on Action by a group of male leaders who will create "A Society in which Women Shine" (Gender Equality Bureau, Cabinet Office)

### **Supporting Active Participation of Women**

#### Career Development Support for Women

Seven & i Holdings continues to undertake initiatives that support women's career development as part of positive action. As a recent initiative, in 2021 we launched the Female Encouragement Seminar to provide Group-wide training aimed at fostering female manager candidates. Female employees from about 20 Group companies take part in the seminar. During this seminar, the president and other members of management speak on such topics as the Group's management policy and philosophy, and convey messages of support to participants, who subsequently discuss these with their fellow participants. Holding the seminar in an entirely online format allows participation from all regions of Japan, regardless of area, and female employees working shorter hours due to childcare responsibilities can also participate. This initiative, whereby participants hear accounts from perspectives and frames of reference differing from those encountered in their everyday work serves as an opportunity to enhance their desire for growth. At the same time, the discussions among fellow employees with diverse academic and career backgrounds and jobs serve as an opportunity for participants to think about their own careers, with the copious feedback received including such comments as "I was encouraged by the words of women working in the same Group" and "I was inspired."

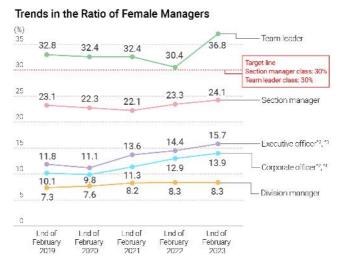
In addition, we launched Female Leader Empowerment Sessions as a means to promote appointments of female executive officers from 2022.



Female Encouragement Seminar

#### Changes in the Ratio of Female Managers

Seven & i Group is working to promote women and further bolster personnel training to meet the goal of a 30% ratio of female managers, one of our targets for diversity promotion. As of the end of February 2023, the ratio of female managers has increased to 36.8% for team leaders and 24.1% for section managers. There has also been progress in changing awareness, and there are now many managers playing an active part while raising children, as well as those who participate in the short working hours program. We are continuing to nurture and promote women at the Group companies through training for managers and executive candidates and the sharing of career plans with supervisors during individual meetings.



- \*1 Total for eight Group companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, Seven Bank
- \*2 The total for six Group companies (Seven & FHoldings, Seven-Eleven Japan, No-Yokado, York-Benimaru, York, Sogo & Scibu) as of May 31 of cach year
- \*3 Excluding directors who are executive officers.
  \*4 Corporate Officer is the total of directors, auditors, and executive officers.

General Employers Action Plan pursuant to the Act on the Promotion of Women's Participation and Advancement in the Workplace (in Japanese)

- > Seven & i Holdings
- > Seven-Eleven Japan
- > Ito-Yokado

### Gender Pay Gap

Seven & i Holdings has no gender gap in its personnel system, and in its wage program, compensation reflects the role and contribution of each individual regardless of gender. However, the average age and percentage of management positions at each group company are higher for men than for women, and more women choose to work shorter hours or work in limited regions in order to balance work and family life, such as childcare. In order to eliminate the differences, we are continuing our efforts to create a comfortable working environment for employees by encouraging male employees to take childcare leave and reducing long working hours, as well as to support and develop the careers of female employees and actively promote them to management positions.

FY2022 Gender pay gap (ratio of women's wages to men's wages)

	Full-time employees	Part-time employees
Seven-Eleven Japan	73.9%	84.7%
Ito-Yokado	70.4%	101.2%
Seven & i Holdings	72.8%	83.7%

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

Seven & i Group is working to foster a culture where women and other diverse human resources can play active roles by conducting community activities and training targeting various levels within the Group.

### Training and Awareness-raising for Management

Seven & i Holdings has continued to hold the Diversity Management Seminars since 2014 as a Group-wide initiative to emphasize the importance of diversity and inclusion and to raise awareness on the management of diverse human resources. A cumulative total of 6,300 people from all Group companies had participated in the seminars up to the end of February 2023. Seminars led by outside lecturers, covering themes including diversifying work styles, unconscious bias, organizational development, and leadership have been held to date, to provide the opportunity for managers to think about diversity from a number of different perspectives.

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

For example, starting in 2021 Seven-Eleven Japan has been inviting outside lecturers to begin training on the subjects of diversity management and unconscious bias with the goal of encouraging understanding among managers. It has also been providing training for managers since July 2021 on normalization support. This aimed at creating opportunities to deepen managers' understanding of colleagues and subordinates with disabilities and to learn about how to deal with customers who have disabilities or cognitive impairments.

In its level-based executive training, Ito-Yokado is implementing sessions on the management of diverse subordinates, including the importance of workplaces where diverse employees can apply themselves, the understanding of programs for supporting the balance between childcare and family care with work, and the evaluation of employees in the short working hours program.

### Awareness-raising of LGBT Rights

Seven & i Holdings revised the Corporate Action Guidelines in 2016, to expressly specify the "Forbidding of Discrimination Due to Sexual Orientation or Sexual Identity." A variety of educational and awareness-raising activities aimed at promoting understanding of LGBT issues are also ongoing. These include the hosting of seminars and the production of a booklet with basic information on LGBT issues.

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

Seven & i Group companies have a system for rehiring employees after mandatory retirement, providing an opportunity for experienced workers to use their skills and abilities.

At Ito-Yokado, for example, a re-employment system that allows people to continue working until age 65 was introduced in 1995 in response to employees who said they wanted to continue working after the mandatory retirement age. Employees can select from three options of working days and hours to suit their wishes, enabling them to work in diverse ways. From April 2006 the Senior Part-timer System was implemented to allow part-time employees to work until age 65 as well. As of the end of February 2023, 7,269 senior part-timers were active in the Group. The system was expanded in May 2017 to enable people to continue working up to the age of 70. Furthermore, as of the end of February 2023, 1,273 non-Japanese employees were working in the Group.

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

their fears about operating the cash registers. The ratio of employees of non-Japanese nationality working at stores, including franchised stores, is also increasing. As of the end of February 2023, the national average was approximately 9.8%, and the number of non-Japanese staff was about 41,200. In September 2020, we started so-called Hospitality Training, providing lectures to foreign students and other non-Japanese employees on the basics of Japanese culture and customer response. In the fiscal year ending February 28, 2023, about 180 employees received this training.



Job Seminar for Seniors (Seven-Eleven Japan)



Hospitality Training (Seven-Eleven Japan)

#### Promotion of Foreign Nationals and Mid-career Hires

The Seven & i Group has long actively promoted overseas employees to local management positions. Our new Medium-term Management Plan announced in July 2021 calls for the strengthening of global strategies, and we are focusing on the development and promotion of core human resources to support these global strategies. We position mid-career hires as "work-ready" persons, and in FY2022, a total of 653 mid-careers joined 8 group companies\* of the Group. Although we do not set specific targets for the appointment of foreign nationals and mid-career hires, we evaluate their abilities and achievements fairly and promote them to management positions regardless of their nationality or employment status (new graduate or mid-career hire) so that a diverse range of human resources can demonstrate their abilities.

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

#### Promoting Employment of People with Disabilities

Seven & i Holdings is assisting people with disabilities to demonstrate their abilities at their workplaces based on its commitment. Providing an environment where everyone can play an active role, each Group company consults with employees with disabilities to determine the workplaces, jobs and working hours that are suitable in consideration of the level and details of their disability and their own preferences. In this way, people with disabilities work in various divisions. In recruitment, we coordinate with special-needs schools to provide onsite training in stores and participate in job interviews organized by local employment agencies and partner with vocational schools. Furthermore, all Group companies are provided with the Seven & i Holdings Normalization Support Guide, which contains basic knowledge and practical recruitment methods when employing people with disabilities, to ensure that all recruitment and training personnel of the Group companies understand disabilities and that they considerate to employees with disabilities.

#### Promotion of the Employment of People with Severe Disabilities

In 1994, Terube, Ltd. was established with joint funding of five companies (Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, and Seven & i Food Systems) and the city of Kitami in Hokkaido. Terube is a special subsidiary founded to promote the employment of people with severe disabilities. As of June 1, 2023, Terube employed 20 people with disabilities, and the Group's employment rate of people with disabilities, including Terube, was 3.16%. The target for the fiscal year ending February 28, 2025, is for all Group operating companies to meet the statutory employment rate for people with disabilities. In recognition of its efforts in the 23 years since its founding to practice normalization with the aim of creating workplace environments amenable to people with disabilities, Terube became the commemorative first company to be certified as the Employer Promoting the Active Roles of Persons with Disabilities in 2017, the first year that certifications were issued by the Japan Association of Employers of Persons with Disabilities.

\*\*The Group's employment rate of people with disabilities covers the five companies of Seven & i Holdings, Terube, Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

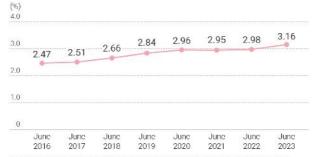


Special subsidiary, Terube Ltd.



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

#### Ratio of Employees with Disabilities



<sup>\*</sup> The ratio of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terube (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

Implementation of Employment Support Training in Collaboration with Administrative Authorities to Promote the Employment of People with Disabilities

Seven-Eleven Japan conducts employment support training in some areas involving "Seven-Eleven Work Experience," "Customer Relations Training," and "Classes on Learning from Graduates to Prepare to Become a Working Adult" for teachers and students at special-needs schools as part of its support for the employment of people with disabilities in collaboration with administrative authorities throughout Japan.



Employment support training "Seven-Eleven Work Experience"

#### Support for Employment Stability of Employees with Disabilities

Seven-Eleven Japan promotes the acquisition of qualifications specified by the Ministry of Health, Labour and Welfare under the "Act on Employment Promotion, etc. of Persons with Disabilities" as a measure to retain employees with disabilities in the workplace. Various initiatives have been promoted, with 96 employees having been certified as "Employment Counselors for People with Disabilities" and 15 employees certified as "Job Coaches (in-house workplace adjustment supporters)" as of the end of February 2022. These job coaches (in-house workplace adjustment supporters) with specialized knowledge provide training on how to support oneself in daily life and on how to behave as a working adult, conduct interviews over the internet, and the like. Even amid the COVID-19 pandemic, they have been endeavoring to create great places to work.

In addition, the company has introduced a voice-recognition system that can allow hearing-impaired employees to participate in remote meetings, and it is striving to create an environment where communications among all employees will be smooth. In October 2022, the company received the Governor of Tokyo Award in the Excellent Company Awards for Employment of Persons with Disabilities presented by the Tokyo Metropolitan Government, in recognition of this series of initiatives.

# **External Recognition**

Seven & i Holdings has established specific targets for promoting the active role of women, and the entire Group has worked together to make progress on the targets. The Group's initiatives and the proactive appointment of female managers have received high recognition by outside parties.

Major recognition by outside parties

- 2014 Empowerment Award (Japan Productivity Center )
- 2015 Prime Minister's Award at the Leading Companies Where Women Shine Awards (Cabinet Office )
- 2015 Corporate Activity Award (Tokyo Stock Exchange Inc.)
- 2017 Chosen as the "2017 Nadeshiko Brand" by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange, Inc.
- 2019 Chosen as "Semi- Nadeshiko 2019" by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange, Inc.

Seven & i Holdings acquired the third level – the highest – in the "L-Boshi" Designation for gender-advanced companies based on the Act on the Promotion of Women's Participation and Advancement in the Workplace. We achieved the designation standard in all five evaluation categories: recruitment, career continuation, work style factors such as working hours, management ratio, and diversity of career paths. Similarly, Ito-Yokado, Sogo & Seibu, Seven Bank, Seven Card Services, Seven Financial Service, Nissen, and Nissen Life have also acquired the third level, and Seven-Eleven Japan and Seven & i Food Systems acquired the second level (as of February 28, 2023).



3 stars (the highest level)



2 stars

"L-boshi" certification

# Material Issue 5 Improve work engagement and environment for people working in Group businesses

# **Achieving Work-Life Balance**

Seven & i Group is promoting the concept of "work-life synergy," which aims to create synergies by utilizing the perspective of a consumer in work while simultaneously leveraging the lessons of work in life. We have a range of assistance systems that exceed minimum legal requirements to enable diverse employees work with peace of mind. To make it even easier for employees to work, we are also taking steps to curb long working hours and encourage the use of paid leave.







# **Enhancing Systems for Diverse Workstyles**

Seven & i Group has implemented various systems that go beyond legal minimums to enable employees, including part-timers, to continue working comfortably while engaging in childcare or nursing care. For example, there are childbirth and childcare programs and a family care program available for employees, both men and women, who have worked at the company for at least a year; the programs are also available to part-time employees. The programs are freely selected by individual employees, and combining a leave program with a reduced work hours plan is also possible.

Further, in addition to childcare or nursing care, the company has newly instituted a system of support for employees who are receiving treatment for infertility, kidney disease, and cancer, and at the same time continuing to work, with a view to accommodating the needs of a diverse array of work styles.

#### Ito-Yokado's Childcare and Family Care Assistance Systems

	Childcare Assistance System	Family Care Assistance System
Reduced work hours	Employees can work reduced hours until April 15 of the year their child starts junior high school. *Can be combined with other leave programs.	Employees can work reduced hours for up to three years following the initial reason.  *Can be combined with other leave programs.
Work until 7:00 p.m.	Full-time employees can end their workday by 7:00 p.m. through March 31 of the year their child graduates from junior high school	None
Leave	Employees can return to work after taking leave for up to two years.  *Up to three years depending on the circumstances  (Can be combined with short working hours).	Employees can take up to a one year of leave following the initial reason. The leave can also be split up and taken at different times.  *Can be combined with short working hours.
Reemployment	Employees resigning to focus on childcare are given priority in hiring within three years.	Employees resigning to focus on family care are given priority in hiring within three years.
Limitations on/exemption from overtime work Exemption from late night work	Exemption from/limitation on overtime work and exemption from late night work until April 15 of the year in which the employee's child reaches 1st year junior high school allowed	When providing nursing care for a family member, employees may have limitations on or be exempted from overtime work. They may be exempt from late night work

Child nursing care/nursing care leave	When giving nursing care to a child of pre-school age, employees may take up to five days off per year for one child or 10 days off (paid) for two children or more in half day units	When providing nursing care for a family member, employees may take up to five days off per year for one family member or 10 days off (paid) for two family members or more in half day units
Days off	If an employee has a pre-school aged child, they may take up to five days off per year (paid) for childcare	

# **Childcare Support for Employees**

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

#### Operation of Seven Nanairo Nursery Schools

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



Seven Nanairo Nursery School

#### Introduction of Daycare Facilities in Stores

Ito-Yokado has introduced six daycare facilities comprising authorized daycare centers and corporate-led nurseries as tenants in its shopping centers in Tokyo and three other prefectures. These facilities are used by employees and local residents.

# Return-to-Work Support after Childcare Leave

Seven & i Group companies provide guidance to employees returning to work after taking childcare leave and implement community activities aimed at building networks and allaying the anxieties of child-raising and pregnant employees. For example, at York every two months in-house information is shared by mail with employees who are on childcare leave to let them know what the latest news is. In addition, to encourage the use of childcare and nursing care programs, efforts are also being made to raise awareness of them through items that run in in-house newsletters. Furthermore, York had been holding orientation sessions four times a year for those persons returning to work after childcare leave on how to go about their return, but these were suspended in the fiscal year ending February 28, 2021, and 2022 to prevent the spread of COVID-19. In the fiscal year ending February 28, 2023, York held the sessions online in September and February.

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

The Seven & i Group continuously implements various initiatives across the Group with a view to encouraging men to engage in housekeeping and childcare, with individual Group companies carrying out the same initiatives. In the fiscal year ended February 28, 2023, we held online seminars for Group employees to ensure that they all understand the points of the Act on Childcare Leave/Caregiver Leave, and to consider the future of the worksite. Meanwhile, our operating companies have held a variety of educational initiatives in this regard, including displaying posters and sending messages to new parent employees, as well as holding various meetings. In addition, also in order to encourage childcare by male employees, Seven & i Group operates an original childcare leave program for male employees as of 2014. This program enables employees with preschool-age children to take five special paid days off per year in one-day increments. Since the program was started, it has been used by many employees for various reasons involving their children, such as when their spouse gives birth, to attend a kindergarten entrance or graduation ceremony, or to participate in sports days or other events. In the fiscal year ending February 28, 2023, 1,129 male employees from 26 Group companies took these childcare leave and days off.

# **External Evaluation Related to Childcare Support**

Ito-Yokado received "Platinum Kurumin" Mark certification from the Ministry of Health, Labour and Welfare as a company that supports the raising of children. "Platinum Kurumin" is awarded to companies that have already received "Kurumin" certification and have made significant progress in the use of systems to support balancing work with childcare while implementing measures at a high level. The system was established to promote continued initiatives.

In addition, Seven & i Holdings, Seven-Eleven Japan, York-Benimaru, Seven & i Food Systems, Seven Bank, and Seven Financial Service have received the "Kurumin" certification (as of August 31, 2023).



Platinum Kurumin Marks

## Support for Balancing Work with Nursing Care

A survey of family care responsibilities being provided by employees revealed that in the near future, approximately 70% of employees might have to balance work with nursing care. So going forward, this is likely to become a major issue. Therefore, Seven & i Group regularly holds family care seminars with external experts to offer prior preparation for handling such responsibilities.

In addition, we are striving to create working environments that make it easy to balance work with nursing care, including producing the Handbook for Helping Employees to Balance Work and Family Care Responsibilities with a view of using it in training and such at the Group operating companies, informing the employees of consultation desks, and posting cases of employees balancing work with nursing care on our company newsletter.

As a support for balancing work with nursing care, Seven-Eleven Japan revamped the Handbook for Balancing Work and Family Care Responsibilities in 2019. This handbook is posted on the notice board of the intranet so that it can be checked as required by all its employees. Going forward, Seven-Eleven Japan will continue to carry out awareness-raising activities so that it can build a system that balances work with nursing care where employees properly understand knowledge about such balance.

#### Work-from-Home

Mainly at head offices, Seven & i Group companies have implemented a telecommuting (work-from-home) system to make effective use of time before and after work. This system aims to improve productivity, achieve a work-life balance, since 2020, prevent the spread of COVID-19 infections, and maintain business continuity.

# Curbing Long Working Hours Through the Utilization of Diverse Workstyles

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

#### Introduction of Staggered Working Hours

Seven & i Holdings, Seven-Eleven Japan, Seven Bank, and other Group companies have introduced staggered working-hour systems enabling employees to choose their working hours. The aim is to realize environments in which individuals can select their workstyles to suit their jobs and individual circumstances and work flexibly. Companies are seeking to promote more active and efficient workstyles by bringing forward or delaying start and finish times. Furthermore, to prevent the spread of COVID-19 infections, Group companies have expanded the options for start and finish times so that employees can avoid commuting during the crowded rush hour since 2020. Seven-Eleven Japan has achieved utilization results of over 80% for its administrative staff department in particular. This initiative is also leading to enhanced private time for employees and reduced commuting burdens.

### Implementation of Variable Working Hours System

Since 2017, Seven & i Food Systems has introduced a one-month variable working hours system that allows work to be planned according to busy and lull periods. Through the introduction of this system, the number of days of paid leave taken by full-time employees increased and the average monthly overtime work also decreased, thereby improving employees' work-life balance.

# **Material Issue 5** Improve work engagement and environment for people working in Group businesses

# Support for Enhancing the Abilities of Employees

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

In 2020, Seven & i Holdings split the educational function from the Personnel Planning Department and newly established an independent body, the Human Resources Development Department, to promote skill development and human resource development in the Group. We are making efforts to improve the human resource development setup to support the skill development and autonomous learning of individual employees, the standard bearers of value creation.







# **Autonomous Learning Support and Capacity Building**

Based on the Medium-Term Management Plan, Seven & i Group aims to build an organization in which both companies and employees can grow together and to build workplaces that are pleasant for everyone. To enable our diverse employees to exercise their abilities and feel fulfilled in their work, we promote the development of each employee's capabilities and support for autonomous learning.

The Ito Training Center, which opened in 2012, is one of the educational facilities for the Group to deepen its understanding of the spirit of "Trust and Sincerity," our founding philosophy, and to develop human resources for the next generation. The training center is equipped with an archive room, where employees can learn about the Group's philosophy and the history of challenges and innovations. It also has training rooms for learning specialized skills in sales, cooking, and other areas on the business characteristics of each Group company. To enable employees to actively learn, we have installed movable desks and staircase stools that can accommodate training that is not bound by formality but is free and dynamic, as well as remote cameras and tablets that support comfortable online training. A total of approximately 440,000 employees have used the Ito Training Center to date.



Ito Training Center

> Further details about the Ito Training Center can be found here (in Japanese)

Seven & i Group companies have established a training system based on business characteristics, including various level-specific training programs for managers to improve their leadership and management skills, as well as job-specific skill and technical training and self-development training, in an effort to develop the skills and career development of each individual, including part-time employees. We are also working to develop the skills and career development of each individual, including part-timers. The Group's per capita training cost for the fiscal year ending February 28, 2023, is approximately 120,000 yen and 41 hours\* of training per person.

\* For monthly salaried employees of the three Group companies (Seven & i Holdings, Seven-Eleven Japan, and Ito-Yokado)

# **Providing a Variety of Growth Opportunities**

In addition to cross-group training, the Seven & i Group offers a variety of training programs by each Group company according to the characteristics of its business.

#### Leadership Development

Seven & i Holdings conducts an annual program to develop next-generation management leaders. Selected executives from each group company participate in this program, learning management theory and practice from renowned lecturers and engaging in discussions. The program was launched in 2012, and by the end of February 2023, approximately 270 employees had participated. Seven & i Holdings is also promoting the introduction of 360-degree feedback at each Group company. The program is regularly implemented in order to obtain multi-rater feedback from superiors, colleagues, and members on the actions of management personnel, to understand their own strengths and challenges, and to promote behavioral change and open communication.

#### Holding Customer Service Training for Franchise Store Employees

Seven-Eleven Japan holds a "new employee training" program for new hires at stores, and a "shift leader training" program aimed at nurturing the "shift leaders" who will serve as models for franchise store employees. Those who undergo shift leader training are presented with a certificate of completion and a business card holder.

In the fiscal year ending February 28, 2023, 10,459 training sessions were held, and 38,716 employees took the courses. Through the training, Seven-Eleven Japan lends support to the franchise store owner's work to teach their employees, while also improving both work satisfaction for many employees and the level of customer service in the stores.

#### **Contents of the Training for Franchise Store Employees**

Participants (Franchise store employees)	Training contents		
New employees	Pre-store opening training (support for opening a new store)	Learning cash register operation, basics of customer service, and sales floor duties	
	New employee training (support after hiring)	Learning customer service, greetings, basic cash register operations, and service duties	
	New employee training, slower pace basics course (for seniors)	Learning basic cash register operations (repeated)	
	Hospitality training (for foreign staff)	Learning about Japanese culture and language use	
Existing employees	Shift leader training (1) Friendly course	Learning model customer service	
	Shift leader training (2) Teaching course	Learning methods for educating new employees	
Store managers	Training for persons responsible for a store (FY2022 plan)	Learning carefully selected practical knowledge suited to real cases in store management	



Shift leader training

# Implementation of Job-Oriented Training

Ito-Yokado holds new employee training for all employees, including part-time employees, to teach company policies, retail fundamentals, and skills and knowledge required for work. Furthermore, training leading to on-the-job training at stores is continuously held to provide basic knowledge of products handled by affiliated section and to improve skills related to customer service and fresh food preparation. In this way, the company assists employees in upgrading their skills. Additionally, training is held for everyone from new recruits to sales floor staff, sales floor managers, division managers, and store managers, to provide knowledge of sales floor management and management skills in stages and in line with their respective positions. Advance training is also implemented to encourage employees to keep on learning and to improve their skills in preparation for their next positions.

#### **IY Training System**

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



Employees in training

#### Operation of "Targets Setting Chart"

York-Benimru uses target setting charts to assess the individual employee's current skills and abilities as well as skills to be acquired and training targets between individual employees and their managers. The target setting charts include detailed items necessary for job performance, such as customer service, sales area management, ordering, and food preparation techniques, with the skills and abilities of the employee assessed on a six-step scale from 0 to 5. In the "skills version" for staff members and part-time employees, items are determined for each division depending on duties, job characteristics, and products handled for each analysis item. There is also a "management version" for store managers, assistant store managers, customer service managers and section managers that is intended to help raise and standardize management abilities. Based on the chart, employees confirm their skill levels with their supervisors and twice a year share the progress they have made with their supervisors and establish the next set of goals. This enables them to check their own growth, helping to boost motivation.

### Online Training for New Part-time Employees

Akachan Honpo's headquarters training department holds an "Online Store Induction Training" for newly hired part-timers. This is a classroom training, providing an opportunity for all new employees to learn about company policies and the basics of the business. Subsequently, on-the-job training is conducted in stores based on the training plan, and basic knowledge is established over a period of three months. We also hold a "3-month follow-up sharing meeting" to resolve any concerns they may have after joining the company, thereby providing a support system that enables them to continue working for a long time after joining the company.

#### **Self-Development Training**

To provide opportunities for employees to engage in independent study, Seven & i Group subsidizes fees, and so on for those employees who are taking correspondence courses and e-learning related to business skills, knowledge, etc.

#### Support for Taking Correspondence Courses

Ito-Yokado proposes 306 correspondence courses to all employees, including part-time employees, and subsidizes part of the tuition fees of employees completing a course. In the fiscal year ending February 28, 2023, 306 employees took correspondence courses.

#### Holding of Self-Development Courses

Seven Bank supports "self-directed learning" by providing an environment for employees to acquire the knowledge and skills necessary to perform their jobs, including correspondence courses (English, financial knowledge, etc.), online courses (business knowledge, IT/DX), and commuter courses (MBA, etc.). The number of courses is approximately 240, and many employees are taking them.

### **Open Recruitment System for Human Resources**

Seven & i Holdings has an open recruitment system that is made available once a year through which employees can apply for open positions at any Group operating company regardless of where they work. The goal is to support all the Group's employees to develop their diverse careers. Every year, many employees apply for the system and are active in new fields while making the most of their previous experience.

Group companies have also instituted internal recruitment systems. For example, at Ito-Yokado, employees who have worked at the company for at least one year can become candidates for managerial positions and jobs regardless of business experience or seniority. From the fiscal year ending February 28, 2021 to the fiscal year ending February 28, 2023, 218 people applied through this system and 51 people were appointed to their preferred positions or jobs.

# **Material Issue 5** Improve work engagement and environment for people working in Group businesses

# **Assuring Fair Assessment and Treatment of Employees**

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



# **Ensuring Fairness through Self-Evaluations**

Seven & i Group has instituted a self-check program to maximize individual employee abilities and help ensure fair evaluations. Twice a year at each Group company, employees first assess their own job performance, which is then evaluated by their supervisor. After that, the employees and their supervisor meet to discuss the results. This direct dialogue helps the employees to identify their own achievements, strengths, and challenges while also ensuring the transparency and fairness of evaluations.

In addition, through individual meetings with supervisors, issues at the workplace related to management levels, knowledge, skills and the like are confirmed, and this leads to further career development. Since it is not a simple one-sided evaluation by the company, employees are more willing to accept the system and find it motivating. The system is helping to steadily improve operational levels.

#### **Implementation of Management Checks**

Seven-Eleven Japan has been conducting management checks since November 2017 as a personnel measure where subordinates and supervisors work together to improve the company and enhance internal communications. Subordinates evaluate the status of management of employees by managers. Employees respond to a total of 20 questions (five questions in each of four categories: humanity, thinking abilities, action abilities, and compliance) and also input comments in the free entry field. To prevent the identification of specific individuals, the scores of all subordinates are averaged and comments are combined. Results are not directly disclosed to supervisors; oral feedback is provided during interim interviews (conducted twice annually) by the supervisor who is two levels higher. Each individual actively uses the results to generate outputs that will contribute to their individual growth.

#### **Employee Compensation System**

Ito-Yokado has an "Employee Classification System" that allows employees to choose which region to work in based on their individual life plans and values. Based on this system, employees are evaluated using a qualifications system, which ranks them by job performance ability and skill, and by job responsibilities, taking into account their current duties and job assignment. In addition, individual evaluations, which are determined based on job achievement, level of contribution and other factors, are directly incorporated into salary and bonus levels.

# **Selection of Various Work Styles**

Seven & i Holdings focuses on establishing systems that allow employees to choose various work styles to increase their motivation for work. For example, Ito-Yokado has a "Selective Step Up System" to enable part-timers to choose from diverse working styles. Under this system, part-timers may choose to step up a rank after acquiring a certain level of evaluation and sales skill. There is also a program in place where part-timers designated as highest level can be hired as a monthly salaried permanent employee or contract worker. To date (as of February 28, 2023), 214 part-timers have become monthly salaried permanent employees. In January 2020, an ex-part-timer became a store manager for the first time.

#### **Ito-Yokado's Selective Step Up System**



# **Material Issue 5** Improve work engagement and environment for people working in Group businesses

# Consideration for Employee Health and Occupational Safety and Health

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





#### Three Goals of the Seven & i Health Declaration NEXT

- 1. We will understand our own health issues, and take actions toward improvement.
- 2. We will realize working conditions where all employees can work with vitality.
- **3.** We will continue to be a company that supports the everyday health of our customers through "health conscious" products and services.

#### Message from the President

Seven & i Holdings thinks that promoting the health of employees will bring vitality to the entire Company, and in addition, contribute toward improving society's quality of life (QOL). We support each employee's proactive initiative to promote health. Therefore, in October 2014, we started the Seven & i Health Declaration 2018 that sought to improve employee health and QOL, and enhance our corporate vitality. Through conducting a variety of initiatives related to health, we have reaped certain results.

In view of this, we formulated the Seven & i Health Declaration NEXT which states three new goals that seeks to further strengthen our initiatives, and are starting on those initiatives.

This declaration sets themes related to individual employees, the Company, and society respectively, and aims to improve results through specific measures.

Promoting the health of employees will be the foundation for improving individual QOL, widen opportunities for further participation by each person at work, and become the source of our Group's sustainable growth.

In addition, based on the basic principle of providing safe and reliable products, we will work to support the health of the customers who use our Group's stores and products on a regular basis, and also contribute toward promoting the health of local communities through measures such as product development that works on reducing additives while being particular about taste and quality; being thorough in the labelling of food ingredients which is of high concern to customers; development and provision of products supporting health; and support for healthy dietary habits and dietary education. Going forward, Seven & i Holdings will deepen our initiatives contributing to the healthy growth and development of people's lives and society from the viewpoint of being close to daily lives, and aim to be a Company that is trusted and needed by employees and society.

October 2019
Ryuichi Isaka

President and Representative Director

The specific targets advocated in the Seven & i Health Declaration NEXT include reducing the risk of lifestyle diseases, reducing the smoking rate, improving the percentage of annual paid leave taken, and reducing long working hours. The promotion of health and productivity management was incorporated into the Corporate Ethics and Culture Subcommittee under the CSR Management Committee chaired by the President and Representative Director of Seven & i Holdings, and various initiatives are being implemented centering on the Seven & i Holdings Personnel Planning Department, Health Management Center and Health Insurance Union in collaboration with human resources and labor relations supervisors at each Group company.

In recognition of these efforts, in March 2023, Seven & i Holdings was selected as one of the "Excellent Health Management Corporations 2023 (Large Corporation Category)" by the Ministry of Economy, Trade and Industry and the Ministry of Health, Labour and Welfare, as in the previous year.



#### Main Initiatives in FY2022

- Initiatives for maintaining health, preventing illness, and improving health
  - · Holding of regular walking events jointly with the Health Insurance Union
  - · Regular holding of online health seminars with outside experts as instructors
  - · Health Insurance Union offered "Cervical Cancer Risk Test at Home"
  - Health Insurance Union held "MY Challenge 2022\*"
  - \*"MY Challenge 2022": A campaign to promote "diet," "exercise," and "behavior" to reduce the obesity ratio and improve lifestyle (exercise, eating habits)
- Initiatives to prevent infectious diseases
  - · Reduction of infection risk through utilization of working from home, staggered work, etc.
- Initiatives to build pleasant workplaces conducive to both mental and physical health
  - Prevention of mental illnesses through the implementation of mental health training (departmental care, self-care)
  - Introduction of in-house chat service and improvement of system to encourage communication regardless of workplace (at home, head office, or other site)
- Initiatives to reduce smoking rate
  - · Implementation of complete ban on smoking during working hours
  - Introduction of system of subsidies paid by the Health Insurance Union to employees who have succeeded in giving up smoking
- Initiatives to support a healthy society—Contributing to SDGs
  - Development and lineup of products taking customers' concern for salt, sugars (available carbohydrates), etc. into consideration
  - $\cdot$  Considerations for health and evolution to tastier and higher quality products
  - · Proposal of menus on the theme of good health at stores; recipe development; calculation of nutritional value

Seven & i Health Declaration NEXT

Targets	Specific Targets to Be Achieved by March 31, 2023								
1. Control to achieve	Ratio of People with a BMI over 25*1								
appropriate bodyweight		FY2018	FY2019	FY2020	FY2021	FY2022	March 31, 2023 Target		
	Male	37.6%	38.5%	39.6%	39.0%	38.8%	28% or less		
	Female	26.8%	27.6%	28.3%	28.2%	28.2%	18% or less		
2. Reduce smoking rate	Overall Employee Smoking Rate*1								
		FY2018	FY2019	FY2020	FY2021	FY2022	March 31, 2023 Target		
	Overall	29.3% male:39.7% female:21.8%	28.1% male:38.0% female:21.2%	26.5% male:36.2% female:19.8%	25.4% male:34.5% female:19.0%	24.6% male:33.7% female:18.2%	20% or less		
3. Improve the percentage of annual paid leave taken	At least 70% for percentage of annual paid leave taken								
4. Reduce long working hours	Less than 5% for percentage of employees with long working hours (45 hours or more of overtime work in a month)								
5. Increase the number of health support products developed by the Company									
6. Increase the number of	f cooking	support*2 with h	ealth as the ther	ne					

%1 BMI and smoking data are totals for 23 Group companies participating in the Seven & i Holdings Health Insurance Union
%2 Proposal of menu items at stores

### Providing healthy, balanced meals to employees

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

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



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

# Raising employees awareness of health and implementation of health checkup

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

The MY HEALTH WEB Health Management System allows individuals to browse the past five years of their health checkup data on the Internet and serves as a tool for checking and goal-setting on the health status, and for receiving advice on how to improve health. It also has an environment that allows them to use through a smartphone app. Furthermore, Group companies have taken steps to implement appropriate health and productivity management based on the Industrial Safety and Health Act by ensuring that all employees receive regular health checks and follow up on the results, as well as making sure that stress checks are implemented for everyone.

# **Prevention of Workplace Accidents**

Seven & i Holdings convenes safety and health committees at each Group company in accordance with laws and regulations and implements improvements to the workplace environment including working conditions, and also conducts measures to prevent workplace accidents. For example, Ito-Yokado conducts training on the handling of knives and other cooking devices for employees that work with fresh food products.

In addition, Seven & i Food Systems, post awareness-raising posters and other campaign materials at stores three times a year to bring attention to the prevention of workplace accidents. At stores where workplace accidents have occurred, interviews are conducted and the causes of the accident and specific prevention measures are shared with other stores.

#### Workplace Accident Data for Eight Group Companies for the Fiscal Year Ended February 28, 2023

	Seven & i Holdings	Seven- Eleven Japan	Ito- Yokado	Sogo & Seibu	York- Benimaru	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency(LTIFR)	0.00	1.75	2.04	0.53	2.38	0.50	0.42	0.77
Workplace accident severity	0.00	0.02	0.06	0.01	0.13	0.01	0.01	0.01

<sup>\*</sup> No workplace accidents resulted in deaths.

#### Workplace Accident Data for Eight Group Companies for the Fiscal Year Ended February 28, 2022

	Seven & i Holdings	Seven- Eleven Japan	Ito- Yokado	Sogo & Seibu	York- Benimaru	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency(LTIFR)	0.00	1.09	1.41	0.32	3.59	1.44	1.46	0.00
Workplace accident severity	0.00	0.03	0.05	0.28	0.14	0.06	0.08	0.00

<sup>\*</sup> No workplace accidents resulted in deaths.

# Workplace Accident Data for Eight Group Companies for the Fiscal Year Ended February 28, 2021

	Seven & i Holdings	Seven- Eleven Japan	Ito- Yokado	Sogo & Seibu	York- Benimaru	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency(LTIFR)	0.00	0.72	1.53	0.24	3.40	0.65	0.86	0.00
Workplace accident severity	0.00	0.02	0.04	0.00	0.01	0.03	0.03	0.00

 $<sup>\</sup>ensuremath{^{*}}$  No workplace accidents resulted in deaths.

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

	Seven & i Holdings	Seven- Eleven Japan	Ito- Yokado	Sogo & Seibu	York- Benimaru	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency(LTIFR)	0.00	0.54	1.37	0.69	3.58	1.18	0.33	0.00
Workplace accident severity	0.00	0.01	0.03	0.01	0.01	0.02	0.03	0.00

<sup>\*</sup> No workplace accidents resulted in deaths.

# Material Issue 5 Improve work engagement and environment for people working in Group businesses

# **Employee Engagement & Culture Survey**

Seven & i Group considers employees to be an important human resource asset supporting the enhancement of corporate value. We believe that employees' heightened engagement and desire to contribute leads to our organization's vitalization and strengthened competitiveness. Therefore, we conduct employee engagement & culture surveys with the aim of creating employee-friendly workplaces with job satisfaction.



# **Outcomes of the Employee Engagement & Culture Survey**

In the fiscal year ended February 28, 2023, the employee engagement survey was developed into the Employee Engagement & Culture Survey, with this survey implemented for approximately 72,000 employees at 32 companies in Japan (including monthly salaried, part time, and hourly wage full-time employees). Seven questions inquiring into cultural statuses at each workplace (covering integrity, respect for autonomy, encouragement for taking on challenges, openness, etc.) were added to the survey with engagement at all companies surveyed concurrently. The result was an engagement score of 51%, with the average percentage of positive assessments in questions dealing with workplace culture at 72% (both for monthly salaried full-time employees). The survey is conducted once every year with the next survey scheduled to take place in the second half of the fiscal year ending February 28, 2024.

#### Results of FY2022

	FY2022
No. of targeted employees	approx. 72,000

# Results of the FY2022 employee engagement and culture survey (monthly salaried employees)



- \*Survey conducted to gauge cultural statuses at each workplace (covering integrity, respect for autonomy, encouragement for taking on challenges, openness, etc.) while concurrently measuring engagement at all companies.
- \*The engagement scores and culture scores are the results from monthly salaried full-time employees, which are given as one example.
- \*Employees were asked multiple questions about their sense of belonging to the company and desire to contribute, and required to identify one of six levels. This is the ratio of employees who gave affirmative replies in the top three levels.

  \*Employee engagement is defined as employees' feelings about doing one's best and not giving up until delivering result
- \*Employee engagement is defined as employees' feelings about doing one's best and not giving up until delivering results above expectations with the "feeling that each and every employee is always playing a leading role," and "pride and passion in everyone's work." This is ascertained via four questions incorporating the two perspectives: 1. Whether employees strongly wish to remain at the company; and 2. Whether they will work harder than what is expected of them in the course of their duties. A concurrent analysis of factors toward improving engagement is also implemented. An external research organization conducted the survey. Compare with other companies globally and implement initiatives for improvement.

# **Promoting Improvement Activities**

The Group is committed to improving engagement by endeavoring to create workplace environments conducive to working comfortably and which provide job satisfaction and motivation for diverse human resources. The employee engagement survey has been implemented since 2018 to visualize the statuses of organization. It is used to identify challenges faced by companies and their employees and to carry out improvement activities. We believe that enhancing the engagement levels of individual human resources as well as their willingness to contribute will promote organizational vitality and strengthen our competitiveness as a company. In the fiscal year ended February 28, 2022, we established Engagement Improvement Committees at each of our Group companies. These committees are chaired mainly by the heads of personnel departments, with members selected from a diverse pool of human resources. At Group companies, the committee leads the formulation of action measures to improve engagement while conducting regular monitoring on the implementation of these measures. Outcomes of surveys are reported through the Engagement Improvement Committees to the Management Councils of the Company and Group companies, for analysis, identification, and structuring of the challenges. We also leverage the sharing of case studies of good practices and promotion of mutual understanding to further promote activities. We will actively endeavor to work toward fostering corporate cultures in which companies and employees can grow in a sustainable manner, where employees are satisfied and engaged with their jobs and work in comfort, and where diverse opinions are respected.

#### Cooperation with members of the Engagement Promotion Committee

Ito-Yokado are working toward a shared awareness and recognition of engagement with each employee around a core of 40 members who promote engagement and involve the members around them. As part of this, senior management, store managers, and headquarter leaders clearly define the management philosophy and vision, and embody the management philosophy, while holding meetings by area to instill job satisfaction and motivate employees. In this way, they are training personnel with the capacity to think and act on their own initiative and leveraging employee diversity to create environments that reflect the various feedback received, while strengthening the foundations to improve engagement.

#### Hosting of Town Hall meetings

Seven Bank holds Town Hall meetings, at which employees and the President engage in dialogues on a variety of topics. All employees, including those at subsidiaries, are eligible to participate in these meetings, with between six and eight employees exchanging frank views with the President at each Town Hall on ongoing initiatives to realize the Seven Bank Purpose and on the challenges faced by those working on the frontline. A total of around 60 meetings have been held, at which around 500 persons have participated. This initiative is providing opportunities for employees to put into words their feelings about their work and to share these with the President and other members of the company and is thereby successfully facilitating increased motivation among employees.



### Revision of personnel evaluation system

In March 2023, Akachan Honpo revised its personnel evaluation system, which had been identified as a challenge to be addressed as an outcome of the engagement survey. Briefing sessions and dialogue meetings were consolidated to previously unseen levels to communicate with employees during the revision of the system.

For the fiscal year ending February 29, 2024, Akachan Honpo will actively strive to achieve improvements in job satisfaction, with a focus on the operation of the new system. As many employees have had an increased number of opportunities to express their opinions under the system, this has had the result of instigating modifications of behaviors, including employees actively speaking up and approaching and encouraging those around them. The effects of these developments will be extended throughout departments and the entire company, and thereby be used to facilitate further improvements in employee engagement.

# Material Issue 5 Improve work engagement and environment for people working in Group businesses

# **Sound Labor-Management Relations**

Seven & i Holdings respects workers' rights such as the freedom of association, the right to organize and collective bargaining. In Seven & i Group Corporate Action Guidelines, we have established the following principle: "The Company respects workers' rights, such as the right to organize, based on international norms and efforts to further improve the work environment."



# Respect for Freedom of Association and Collective Bargaining

At Seven & i Group, the Group's 9\* labor unions form the Federation of Seven & i Group Labor Unions, which as of July 2023 has approximately 42,000 members in 9 unions and a participation rate of 71.7% (Ito-Yokado labor union). The federation carries out a variety of activities for union members based on the thinking that "no water can be drawn from a dry well."

It also coordinates activities by holding discussions on organizational management, labor conditions, and other issues pertaining to union members. The member unions autonomously create their own independent organizations, and then they coordinate and join together for common causes. They complement one another's strengths and also work to improve shared labor conditions on a unified basis, which further reinforces both the individual labor unions and the federation itself. This is the basic approach through which activities are conducted. Seven & i Holdings and the labor unions work through numerous active discussions between labor and management to improve issues related to working conditions and employees' workplace environments.

For example, at Ito-Yokado, the treatment system and labor conditions for union members and employees are proactively discussed., Consultations between labor and management are considered valuable for solving issues and improving productivity. Promotion of recent workstyle reform is an example of collaboration between labor and management, and Ito-Yokado is taking steps to ensure that working rules are understood by everyone, promote the use of holidays/day-offs and paid leave, improve the labor environment, and achieve a good work-life balance.

\* The 9 companies are Ito-Yokado, York-Benimaru, York, SHELL GARDEN, Marudai, Sanei, Akachan Honpo, Seven & i Food Systems, and THE LOFT.

# **Material Issue 6** Create an ethical society through dialogue and collaboration with customers

# Approach to the Material Issue

The Seven & i Group believes that its important role is to contribute to the creation of an ethical\* society by increasing the number of products and services that solve social and environmental issues through dialogue and collaboration with customers. Responding to customers' growing awareness of "ethical consumption" in recent years increases the value of our products and services and strengthens our brand. We are working to listen to our customers and encourage them to promote sustainability in society.

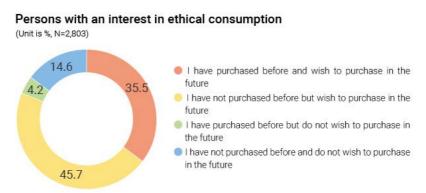
\* The word "ethical," in addition to its conventional meaning, has been increasingly associated with environmental preservation and social contribution in recent years.

# **Background to the Material Issue**

# Growing awareness of ethical consumption

With growing awareness of sustainable fashion, food loss solutions, and fair trade, more and more people are interested in socially and environmentally conscious consumption behavior. In Japan, this number is said to be as high as 81.2%\*. As awareness of ethical consumption grows, it is important to build a sustainable business model that can realize both social and economic value by listening to what customers want and giving shape to it together.

Source: Consumer Affairs Agency "Consumer awareness survey on ethical consumption (FY2019)"



Source: Consumer Affairs Agency "Consumer awareness survey on ethical consumption"

#### **Contribution to SDGs**

By addressing this material issue, the Seven & i Group will realize an ethical society and contribute to achieving Goal 4 of the Sustainable Development Goals (SDGs).



# Seven & i Group's Initiatives

Communication with Customers >

Appropriate Sales and Information Disclosure for Products and Services >

Internal and External Communication >

Sustainable Environment Conservation Activities >

# Material Issue 6 Create an ethical society through dialogue and collaboration with customers

#### **Communication with Customers**

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

# **Establishment of Customer Support**

Seven & i Group set up customer support desks at each Group company in order to receive voices from the customers and people in the communities where the businesses operate. We quickly responds to requests and complaints provided by email or phone through customers and the people in communities, and that leads to improvement of products and services. Given the need to protect privacy in connection with feedback received from them, all personal information is deleted, and the feedback is then categorized by content and communicated to departments and stores for use in making improvements. In the fiscal year ended February 28, 2023, seven Group companies\* received a total of approximately 1.24 million opinions, requests, and inquiries.

- \* Totals are for seven companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, Akachan Honpo, Seven & i Food Systems, and Seven Bank.
- > Information on customer feedback at Group companies can be found here

# **Customer Support Information Liaison Meetings**

Seven & i Group holds a monthly information liaison meeting, which is attended by customer support supervisors at each Group company, in order to reduce the factors that cause customer dissatisfaction and raise satisfaction levels throughout the Group. Measures taken in response to comments and requests received from customers are shared on a regular basis and the information is incorporated into product and service improvements. Annual training is also held for customer support personnel at each Group company with a view to further refining customer service skills. In the fiscal year ended February 28, 2023, 100 employees from 11 Group companies participated in the training.

Main Training Themes in FY2022

- Understand the mechanism of customers' comments and complaints, and practice how to respond to them
- Methods of responding to customer emotional needs
- Acquisition of fundamental skills for responding to customer email and to customer suggestions



Customer support personnel training

# **Collecting Customer Feedback**

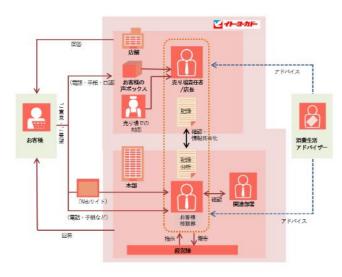
Seven & i Group collects feedback from customers on customer service, sales floor setup, product lineups, and other aspects of operations in order to further improve its products and services. For example, Seven-Eleven Japan, conducts regular customer questionnaires to ascertain the needs of customers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

Ito-Yokado, York-Benimaru, York, and SHELL GARDEN have installed in stores suggestion boxes where customers can submit opinions and requests. Other Group companies also analyze customer opinions and operate mechanisms for using customer feedback to improve product development and services.

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

April, 2022	July, 2022	October, 2022
20.6%	21.1%	22.3%

- \*\*sample size of the questionnaire conducted in April, 2021: approx. 52,000, sample size of the questionnaire conducted in July, 2021: approx. 55,000, and sample size of the questionnaire conducted in October, 2021: approx. 59,000
- \* The period for each questionnaire was one week.





Flow of Responses to Product Deficiencies and Customer

Dissatisfaction (Ito-Yokado)

Mechanism for using Customer Feedback (Ito-Yokado)

#### **Sharing Good Practices in Customer Service**

Seven & i Group introduces good practices of customer service in its monthly in-house magazine distributed to employees, along with customer compliments and appreciation. The employee who received the thank-you note introduces the method of customer service and points he or she tried to keep in mind in the in-house magazine, making it easier for Group employees who read the article to follow the examples and put them into practice. The employees whose examples of good practices are featured in the article receive a letter of appreciation from the president of Seven & i Holdings, which motivates them to continue their efforts.

# **Product Development by Using Customer Feedback**

Seven & i Group is seeking to create products tailored to the demands of customers with "Seven Premium" products, the private-brand products of the Group. The official Seven Premium website, which includes introductions of product features and recipes using Seven Premium products, allows website users to freely upload comments about Seven Premium products. Analyses are conducted on the ways and contexts in which the website is used by customers using the comments on the website, questionnaire surveys, monitoring surveys, focus groups, and customer feedback received via the customer support, and reflected in product development.

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

- > Official Seven Premium Website (in Japanese)
- > For more details about measures on the Nissen Holdings research site (in Japanese)
- > For more details about the private-brand product development system (in Japanese)

#### Sales of Warm Water

Seven-Eleven Japan began selling bottled warm water in February 2021 in response to customer requests such as "I drink white water for my health but cannot buy it on the go," "I need hygienic hot water for baby formula," "I need hot water for taking medicine on the go," and "I want a warm beverage that does not contain caffeine or sugar. Since its launch, much positive feedback from customers has been received. Seven-Eleven Japan will continue to hold regular meetings in which departments in charge of product development, quality control, customer support, and other areas collaborate to reflect customer feedback on its products and services.

### Improving Services by Using Customer Feedback

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

### Three-year Premium Compensation

Akachan Honpo has many first-time customers and seeks to reduce customer concerns about safety by offering free premium compensation\* that covers malfunction, damage, theft, and more for three years from the date of purchase of products relating to child safety. Additionally, hina dolls (sets of traditional Japanese dolls in period dress) and Boy's Festival dolls are covered under premium compensation for five years from the date of purchase.

- \*\*Compensation in cases where Akachan Honpo Point App members and Akachan Honpo E-Commerce members purchase strollers, child car seats (including junior car seats), baby slings, and tricycles
- > For more details about the Akachan Honpo Premium Compensation (in Japanese)

#### Easier-to-Use ATMs Installed

To eliminate privacy concerns when using ATMs and enhance their usability, Seven Bank has installed approx. 13,400 fourth-generation ATMs nationwide with an expanded privacy area, large and high-visibility displays, and universal design (as of the end of March 2023).

> For more details about the Seven Bank fourth-generation ATM (in Japanese)

# Material Issue 6 Create an ethical society through dialogue and collaboration with customers

# **Appropriate Sales and Information Disclosure for Products and Services**

Seven & i Holdings ensures that it conducts responsible marketing activities to provide safe and reliable products and services to its customers. Seven & i Holdings Corporate Action Guidelines stipulate "We seek to display information that is accurate, easy to understand, and truthful so that customers can make an appropriate selection of products and services." Moreover, each Group company strives to confirm the following points, when it transmits information to customers.

- We will take our customer's perspective and provide beneficial information to them, even if the information is negative for us from the business perspective. (e.g.: Consumption of this product may be hazardous for health)
- For information such as images and recordings distributed as commercials and advertisements, we will use appropriate expressions for the audience.
- We will provide information that meets or exceeds the legally mandatory level with regard to health, environment, and other sustainability aspects.

# **Establishment of Management System for Information Provided to Customers**

Seven & i Group verifies in advance that product and price information listed in advertising media, including newspaper inserts, pamphlets, and television commercials, is accurate and that they contain no information that might mislead customers

For example, Ito-Yokado requires a prior approval from its Fair Trade Committee Office when listing dual prices with the sales price and a comparison price, or discounts, in newspaper inserts and other media.

#### **Employee Training on Product Labeling**

Seven & i Holdings conducts regular, group training twice a year based on laws governing labeling such as the Act against Unjustifiable Premiums and Food Labeling Act for newly assigned purchasing personnel at the Group companies to provide basic knowledge on improper labeling and excessive gifts or giveaways prohibited under laws and regulations. In addition, e-learning is conducted for the Group personnel involved in procurement and its head office staff. In the fiscal year ending February 28, 2023, 7,788 employees took the "General Labeling (including food)" course and a total of 9,026 employees took the "Fair Trade" course.



Group training on labeling

# **Prevention of Improper Labeling**

Seven & i Holdings has established the "Group Discretionary Guideline on Imprecise Labeling," on product labeling for the Group to prevent the use of expressions that could mislead customers. The guideline is thoroughly taught to and implemented by product development and quality control staff at each Group company. For example, the expression "permanent" is not used in principle as it is difficult to rationally present the permanent efficacy of a product in the future.

#### Prevention of the Sale of Alcohol and Tobacco to Minors

Seven & i Group companies sell alcoholic beverages and tobacco and recognize that it is a corporate social responsibility to take appropriate measures to prevent the drinking and smoking of people under the age of 20.

7-Eleven stores put up posters stating "Age verification is being conducted" near the checkout counters selling alcoholic beverages and tobacco and verify the age of purchasers who seem under 20 and 20s with their identification card. Besides, in cooperation with the Japan Franchise Association, Seven-Eleven Japan has established 3 months a year as a month of strengthening age verification at the time of sales of alcoholic beverages and tobacco. Seven-Eleven Japan educates and enlightens its franchisee employees not to sell them to anyone under the age of 20.

Ito-Yokado is working to prevent the sale of alcoholic beverages and tobacco to customers under 20 years of age. To raise customer awareness, it posts displays to let customers identify which products are alcohol. It makes sure to post notices informing customers that it will not sell alcohol and tobacco to customers who cannot be confirmed that they are 20 or older. All store employees receive training on how to verify the age of consumers upon joining the company. Besides, staff in charge of cash registers conducts call-and-response training to prevent the sale of alcoholic beverages and tobacco to minors before the beginning of their daily shifts. The Training Division of its head office periodically checks the implementation status.

Alcoholic beverages of Seven Premium, the Seven & i Group's private brand, are labeled following the "Voluntary code for the advertising and marketing of alcoholic beverages and the labeling of alcohol beverage containers" established by the Japan Liquor Industry Council. Seven & i Group stores that handle alcoholic beverages sell non-alcoholic beverages that can be alternatives to alcoholic beverages for customers over the age of 20.



Poster informing customers about age checks



Poster informing customers about age checks



Cashiers receiving training on the sale of alcohol and tobacco

# Material Issue 6 Create an ethical society through dialogue and collaboration with customers

#### **Internal and External Communication**

Seven & i Group is utilizing the characteristics of the retail business, which is used by approximately 22.2 million customers every day in Japan alone, to promote environmental activities along with its customers. Moreover, we emphasize collaboration with various stakeholders through participation in the activities of external organizations and communication with NPOs. Further, to promote environmental activities, it is necessary for each and every one of our more than 90,000 employees in Japan to take action, so we are also focusing our efforts on awareness-raising activities for employees.







#### **Communication with Customers**

Seven & i Group is committed to environmental activities that take advantage of the distinct ability of the retail business to interact directly with many customers.

For Environment Month in June 2022, we introduced via our website and stores initiatives that enabled customers to take part in each Group company's resource collections in their everyday lives. During this period, Ito-Yokado had a clothing replacement campaign, and THE LOFT collected used cosmetic containers.

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

### Support for NPOs and Other Environmental Organizations

Seven & i Holdings continues to make donations to various environmental organizations such as the Keidanren Nature Conservation Fund, which promotes wider awareness of biodiversity and supports the nature protection projects of NGOs in and outside of Japan, as well as WWF Japan, environmental and wildlife preservation group. In addition, with regard to climate change, we joined the Japan Climate Initiative (JCI), the Japan Climate Leaders' Partnership (JCLP), and the TCFD Consortium, and for plastic issues, we joined the Japan Clean Ocean Material Alliance (CLOMA). We are making efforts to promote environmental activities in cooperation with various companies and organizations.

In addition, Seven-Eleven Japan has been conducting environment-themed social contribution activities together with franchised stores through the Seven-Eleven Foundation since 1993. Based on contributions\*1 from customers collected through collection boxes placed at the counters of 7-Eleven stores, along with donations from Seven-Eleven Japan and other funds, the Seven-Eleven Foundation engages in environmental citizenship activity support projects, natural resource protection and conservation projects, publicity projects, and disaster recovery assistance projects. One of the major pillars of the environmental citizenship activities\*2 is the funding of NPOs and civic groups conducting regional environmental activities. The foundation has been calling for applications each year since 2001, with the goal of seeing regional donations used to support regional environmental activities. Over the past 22 years in total, the foundation has provided \$2,716,902,184 in funding for 4,635 activities.

The Seven-Eleven Foundation operates the Kokonoe Furusato Nature School located in Kokonoe Town, Kusu District, Oita Prefecture and the Takao Forest Nature School in Hachioji City, Tokyo, based on the principle of "Learning from nature: how to promote coexistence and mutually beneficial relationships between people and nature and the natural environment and local communities." The Kokonoe Furusato Nature School is engaged in projects to protect and preserve the abundant nature cultivated by the region as well as its ecosystems, history, and culture. The school's efforts to promote creation of rice fields that coexist with nature and where living things can thrive has been designated as a project in coordination with the Japan Committee for the United Nations Decade of Biodiversity (UNDB-J). Moreover, The Takao Forest Nature School is a collaborative project with the Tokyo metropolitan government, operating in a forest of approximately 26.5 ha owned by Tokyo metropolitan government. The school's programs include bird watching, volunteer experiences in the forest, flora observation, and craft work.

- \*1 Storefront donations collected in the fiscal year ended February 28, 2023, amounted to ¥429,428,907. The total amount of storefront donations collected since the fiscal year ended February 28, 1995, is ¥9,222,687,835.
- \*2 Assistance for environmental NPOs through public support in the fiscal year ended February 28, 2023, (including recipients of ongoing support): 285 support projects; ¥155,361,354 provided in total



Takao Forest and Nature School



Collection box placed on counters in stores



Kokonoe Furusato Nature School

# **Responding to Opinions and Requests**

We receive and respond to opinions and requests relating to the environment from customers and civic groups at the customer feedback departments at each Group company and at the Sustainability Promotion Department of Seven & i Holdings. In 2014, when we considered the material issues that Seven & i Holdings should address, we identified our material issues upon engaging in dialogue with stakeholders including customers, business partners, shareholders and other investors, as well as those of CSR experts.

> For more details about the selection process for material issues

# **Employee Environmental Education**

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

#### Conducting Group-Wide e-Learning

In response to the "GREEN CHALLENGE 2050" environmental declaration announced in May 2019, Seven & i Group has conducted Group-wide e-learning every year since 2020. In the fiscal year ended February 28, 2023, this e-learning was implemented for all Seven & i Group employees in Japan, with content that focused on introducing the status of the Group's initiatives for the achievement of the targets in the "GREEN CHALLENGE 2050" environmental declaration, and activities that can contribute to the achievement of the targets through work and daily life.

#### Encouraging Group Employees to Take the Eco Test

Since the fiscal year ended February 28, 2015, Seven & i Group has been encouraging employees to pass the Certification Test for Environmental Specialists (Eco Test)\* as a training tool for systematically acquiring a broad knowledge about increasingly diverse environmental problems. Each group company supports test takers by subsidizing test fees, holding study sessions, and so forth. In the fiscal year ended February 28, 2023, about 800 employees passed the test (cumulative total of about 11,700 people passing the test).

\* Certification Test for Environmental Specialists (Eco Test) is a registered trademark of the Tokyo Chamber of Commerce and Industry (TCCI)

#### Holding Environmental Events to Raise Awareness Among Employees

Seven & i Group holds internal environmental events to provide opportunities to raise the environmental awareness of employees. For example, the Group employees participate alongside 7-Eleven franchisees in volunteer activities organized by the Seven-Eleven Foundation. Major activities include such conservation efforts as forest care operations ranging from tree planting to tree thinning and undergrowth cutting at "Seven Forests" in 19 locations throughout Japan, and marine afforestation initiatives to cultivate eelgrass habitats, which purify water and reduce CO2, thereby enriching the marine environments in Tokyo Bay and Osaka Bay. In the fiscal year ended February 28, 2023, a total of 1,058 people took part in such events, including personnel from Seven-Eleven Japan franchised stores and Head Office employees as well as the Group employees. Starting in 2006, the number of participants so far totals 21,842.

Additionally, we are engaged in various activities to raise employee awareness, particularly in June, which has been designated as Environment Month, and October, which has been designated as Food Waste Reduction Month. In the fiscal year ended February 28, 2023, we provided employees with opportunities to think about the environment as a personal issue by conducting such efforts as a food drive where customers could bring food they did not use at home and donate it to a food bank, the collection of empty disposable contact lens packages as a measure against plastic waste, and the trial operation of an app that encourages changes toward pro-environmental behavior.

- > For more details about "Seven Forest" (in Japanese)
- > For more details about the Tokyo Bay UMI Project (in Japanese)

# Material Issue 6 Create an ethical society through dialogue and collaboration with customers

## **Sustainable Environment Conservation Activities**

Seven & i Holdings collaborates with NPOs and other organizations to undertake measures that help prevent global warming and preserve biodiversity.





Seven & i Holdings has endorsed the principles of the Task Force on Nature-Related Financial Disclosures (TNFD) as a means to enhance and promote Seven & i Group's natural capital-related and biodiversity conservation and restoration initiatives. In 2023, we joined the TNFD Forum in January, the SBTN Corporate Engagement Program in February, and the 30by30 Alliance for Biodiversity in September; and we are furthering our preparations for TNFD-based analyses and disclosure.

- > For more details about the TNFD Forum
- > For more details about the SBTN Corporate Engagement Program
- > For more details about 30by30 Alliance for Biodiversity

## Working with Local Regions to Leave a Rich Natural Landscape to the Next Generation

Seven & i Holdings participates in Seven Forest creation activities run by Seven-Eleven Foundation at 16 locations across Japan to help prevent global warming and contribute to the maintenance and conservation of biodiversity. Seven Forest creation activities are carried out by employee volunteers from 7-Eleven franchised stores and locals under collaboration agreements with governments nationwide, NPOs, and others throughout Japan.

In addition, encouraging greater use of wood materials collected by forest thinning initiatives can lead to solving issues with Japan's forests. Based on this, wood material collected from Seven Forest is used within the Group for store materials and office supplies, as well as in commercialization to promote use of national resources.

#### > For details about Seven Forest (in Japanese)



Seven Forest Creation

#### **Overview of Seven Forest Creation**



#### Seven-Eleven Foundation

Seven-Eleven Foundation was established in 1993 for 7-Eleven stores and Seven-Eleven Japan to work together as one on environmentally-themed social contribution activities. Using money collected from in-store donation boxes and donations by Seven-Eleven Japan, the foundation engages in projects related to environmental citizenship activity support, nature conservation, public engagement, and disaster reconstruction assistance. In the fiscal year 2022, in-store donations totaled ¥429,428,907 and ¥155,361,354 were used to award grants to 285 environmental citizenship projects (including ongoing projects), which supports environmental activities led by local citizens.

Seven-Eleven Foundation, in cooperation with various organizations, and based on the theme of restoring a rich natural environment, has continued its Seven Forest Creation activities to protect the natural cycle of forests, riparian forests, and ocean, as well as to increase CO2 absorption and oxygen production. For our Mountain Forest Creation initiative, we carry out nurturing activities from tree planting to weeding and thinning, which leads to the conservation and restoration of abundant forests. Furthermore, as for Seven Forest Creation in the Sea project, the foundation is working to increase the amount of eelgrass, which purifies seawater quality and helps preserve biodiversity by absorbing CO2 in the sea and accumulating carbon. Seven-Eleven Foundation has concluded agreements with local governments/municipalities and NPO corporations, and is working with 7-Eleven franchised stores and citizens towards the goal of creating our natural environment where rich biodiversity can co-exist with the local people. In March 2021, Seven-Eleven Foundation concluded the "Cooperation Agreement on Environmental Conservation and Collaborative Efforts" with the Ministry of the Environment, and the Environmental Partnership Council (EPC), which is an organization entrusted with the Global Environmental Outreach Centre (GEOC). In April 2023, we signed the "Cooperation Agreement on Environmental Conservation and Collaborative Efforts in National Parks," with the aim of joint action and cooperation on environmental conservation activities in national parks alongside the Ministry of the Environment's Nature Conservation Bureau and organizations engaged in local community activities.

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

#### > Seven-Eleven Foundation website (in Japanese)

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

Name	Web Link (Japanese)
Takao Forest Nature School	LINK
Kuju Furusato Nature School	LINK

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

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

## Sponsorship of the national tournament "Spogomi Koshien 2022"

Seven-Eleven Japan sponsored the national tournament "Spogomi Koshien 2022" out of a shared sympathy with the desire among senior high school students to tackle the issue of marine waste. This competition is an eco-friendly sports event involving teams of three senior high school students previously triumphant in qualifying events taking place in 35 prefectures throughout Japan gathering in Sumida-ku, Tokyo. In the event, which is hosted by the Social Sports Foundation as part of the Nippon Foundation's Umi-to-Nippon (Ocean and Japan) Project, teams compete in terms of the quantity collected and quality of their efforts to pick up litter. The opening ceremony for the tournament was held on December 26, 2022, at Sumida City Office, with high school students competing as one to pick up litter around Sumida-ku.



## Sale of Rice Cultivated while Protecting the Environment and Biodiversity

Ito-Yokado sells a rice series that is cultivated with measures designed to protect the environment and biodiversity in place. It not only uses fewer agrichemicals and chemical fertilizers, but also encourages agroecology, in which rice fields also serve as wildlife habitats. A portion of sales are donated for the purpose of making environmental improvements. In the fiscal year ended February 28, 2023, sales of Koshihikari Rice Nurturing White Storks provided approximately ¥35,000 for nurturing oriental white storks, while sales of Sado, Niigata Prefecture- Produced Koshihikari Rice Certified by the Creating Villages Coexisting with Crested Ibis Program provided approximately ¥72,000 to the Fund for the Improved Habitat for the Japanese Crested Ibis.



Rice cultivated while protecting the environment and biodiversity

## Participating in the Green Down Project

Ito-Yokado has been participating in the Green Down Project, the objective of which is appropriate disposal and recycling of down products. As of March 2020, Ito-Yokado stores have perfected their systems for collecting down jackets, now enabling drop-off of down futons and down jackets at all times. Also, as of November 2020, approximately 70 store locations had begun selling products made of down collected and recycled through this project.

From March 2020 to February 2023, a total of 5,354 down items were collected from customers through this project. The revenues garnered from selling these items, approximately ¥1,290,000 (excluding tax), were donated to the Kiritappu Wetland National Trust, an organization that works for the conservation of key habitats for waterfowl.

## **Donation of Revenues from Paid Plastic Bags**

The three companies of Ito-Yokado, York-Benimaru, and York, are working on reducing plastic bag use, intending to resolve such global environmental issues as ocean plastics pollution and CO2 emission reduction. To further curb the negative impact on environment, the companies have been selling only environmentally-friendly plastic bags to customers since July 1, 2020. In the fiscal year ended February 28, 2023, York donated its revenues from plastic bags\*1, approximately 10.52 million yen\*2, to funds in four prefectures and other organizations.

- \*1 Amount after subtracting raw material costs from sales revenues
- \*2 Total for the period of January 1, 2022–December 31, 2022



Presentation ceremony for a letter of appreciation for donations to the Saitama Prefecture "Sainokuni Green Fund"

## **Material Issue 7** Achieve a sustainable society through partnerships

## Approach to the Material Issue

The Seven & i Group believes that its important role is to contribute to achieving a sustainable society by providing socially and environmentally friendly products and services. Cooperation with our partners, such as franchisees and business partners is indispensable to provide them.

In every process from procuring raw materials to delivering products to customers, Seven & i Holdings believes that it must not only comply with laws and regulations, but it must also supply valuable products that show consideration for society and the environment. This will contribute to improving the sustainability of resources and is crucial to enhancing the strength of supply chains and ensuring business continuity. Partnerships are also important to solve social issues such as the SDGs and to create new experiential value.

To this end, we promote initiatives throughout the value chain, including our franchisees and business partners.

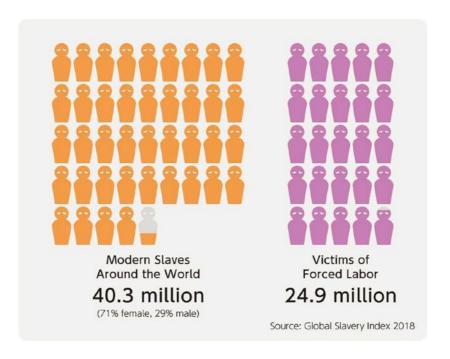
## **Background to the Material Issue**

## Heightened Interest in the Social and Environmental Impact of Supply Chains

Modern slaves are individuals forced into labor, trafficking, sexual exploitation, forced marriage, etc., and it is said that there are about 40 million slaves throughout the world. According to studies, about 70% of these slaves are women, with children accounting for 25%\*.

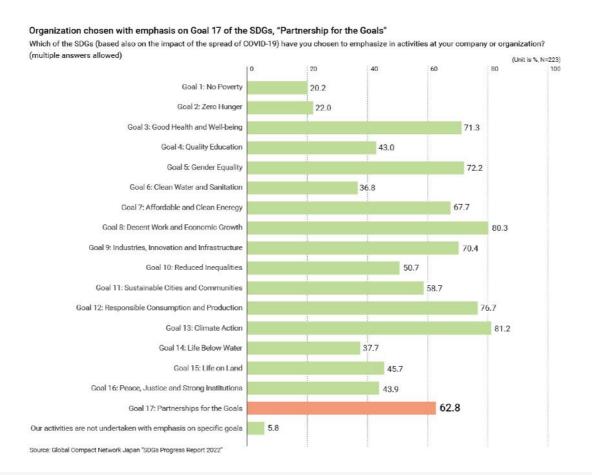
Against the backdrop of a multitude of social issues like these around the world, an increasing number of consumers are seeking to purchase goods produced through fair trade practices. With a heightened awareness of ethical consumption, it has become crucial to build sustainable business models across the entire supply chain.

\* Source: Global Slavery Index 2018



## **Growing need for partnerships**

Recently, as the impact of social issues has grown, it has become increasingly difficult for a single organization to solve them. That is the reason why SDGs call for the importance of partnerships. In addition, in order to respond to impending issues as early as possible and provide greater value, it is necessary to combine the knowledge and technologies of a diverse range of partners, not just one's own company.



## **Contribution to SDGs**

By addressing this material issue, the Seven & i Group improves the resilience of its supply chain and contribute to the achievement of Sustainable Development Goals (SDGs) Goals 1 and 8, 10, 12, 16, and 17.













## Seven & i Group's Initiatives

Building a Sustainable Supply Chain Together with our Business Partners > Expanding Services as a Form of Social Infrastructure >

# Material Issues 7 Achieve a sustainable society through partnerships

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

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

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















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

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

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

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

## Seven & i Group Business Partner Sustainable Action Guidelines (Excerpt)

- 1. Respect and Protection of Human Rights
- 2. Legal Compliance
- 3. No Child Labour and Protection for Young Workers
- 4. No Forced Labour
- 5. Payment of Living Wages
- 6. Elimination of Abuse, Harassment, Discrimination and Punishment
- 7. Employment and Protection of Workers
- 8. Preservation of Global Environment
- 9. Prevention of Confidential Information Leakage and Information Management
- 10. Management of Personal Information
- 11. Quality Control and Ethical Response
- 12. Relationship with Local and International Communities
- 13. Anti-corruption and Fair Business Practices
- 14. Protection of Intellectual Property
- 15. Export and Import Management
- 16. Development of Internal Reporting Systems
- 17. Disaster Preparedness
- 18. Development into Supply Chain
- 19. Monitorina
- > The Seven & i Group Business Partner Sustainable Action Guidelines can be found here.

## Establishment of a Human Rights Due Diligence System

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

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

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

Human Rights Due Diligence Diagram



<sup>\*</sup>As of the end of February 2023, this document is available in 21 languages.

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

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

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

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

#### Actions:

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

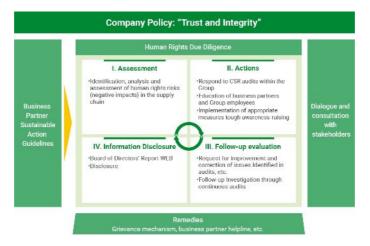
Issue remediation and corrective action support

Information Disclosure:

Report the results to the Board of Directors and publish the results on the web Relief Measures:

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

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



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

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

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

#### > Click here for the Seven & i Holdings Business Partner Helpline

E-mail: 7andi-helpline@integrex.jp

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

Report Online: > http://ws.formzu.net/fgen/S53103280

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

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

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

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



#### Agree to the Memorandum on CSR

Seven & i Group, together with its suppliers, aims to realize the goals of Goal 8 of the SDGs, which are "human-oriented employment with job satisfaction," "eradication of forced labor," and "prohibition and elimination of child labor. In addition, we will actively work to maintain and improve the appropriate working environment of our suppliers, such as by "ensuring appropriate labor practices in the supply chain. We ask our suppliers to agree to a memorandum on CSR as a condition of starting/continuing business with us when we outsource the manufacturing of our private brands. In order to fulfill our responsibility to respect corporate social responsibility (CSR) and human rights, and to contribute to the realization of a sustainable society, we confirm that we will comply with the Corporate Action Guidelines and that we will continue to work together to promote CSR and human rights considerations throughout the supply chain. The purpose of this report is to confirm that we will continue to work together to promote CSR and respect human rights throughout the supply chain in light of the demands of society.

#### Memorandum on CSR

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

## **Conducting Self-Checks**

Seven & i Group provides a self-check sheet to allow suppliers to check the status of their promotion of the Business Partner Sustainable Action Guidelines and to support corrective actions as necessary. This checklist was created with reference to ISO 26000, the Keidanren Charter of Corporate Behavior, the OECD Guidelines for Multinational Enterprises, and the ILO International Labour Standards. Since November 2018, we have been checking similar content (124 items) as the CSR audits, including human rights and labor environment, global environmental preservation, and information management, for private brand product manufacturing contractors of the Seven & i Group companies. In the fiscal year ended February 28, 2023, self-checks were collected from 1,287 factories to confirm their management status.

Items on the Self-Check Sheet (Excerpt)

- 1. Legal Compliance
- 2. Respect for Human Rights and Dignity
- 3. Human Resources and Workplace Environment
- 4. Preservation of Global Environment
- 5. Relationship with Local and International Communities
- 6. Information Management
- 7. Product Safety Assurance
- 8. Fair Business Practices
- 9. Monitoring

#### Status of Self-Check Responses

FY	No. of Factories Targeted	No. of Factories who Replied (No. of Domestic/ Overseas Factories)	Response Rate
2022	1,386 factories	1,287 factories (869/418)	92.9%
2021	1,593 factories	1,303 factories (894 / 409)	81.7%
2020	1,546 factories	1,267 factories (854 / 413)	81.9%

#### Seven & i Group CSR Audit

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

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

#### ■ 1. Implementation of Management System and Rules

- Organizations must implement and maintain a system in compliance with all items of the Seven & i Group Business Partner Sustainable Action Guidelines
- To the extent feasible, organizations should extend the Guidelines to their own supply chains.
- Organizations must monitor and comply with relevant laws and regulations, as well as international treaties and so forth.

#### 2. Forced Labor

- There must be no forced, bonded or coerced prison labor.
- Employers must not force workers to make a financial deposit or submit their identification documents, such as a passport, and freedom of movement must be assured.
- Workers may resign freely as they wish, after giving adequate notice.
- National and regional laws pertaining to forced labor are recognized.

#### 3. Freedom of Association

- Workers have the right to establish or join labor unions of their own choosing without being subject to discrimination, and hold the right to collective bargaining.
- Local laws and workers' rights concerning freedom of association are recognized.

#### 4. Health and Safety

- Safety protection measures must be applied to equipment and machinery and preventive maintenance must be undertaken.
- Chemicals must be handled and stored appropriately.
- All necessary protective equipment must be purchased and regularly replaced.

#### 5. Child Labor and Young Underage Workers

- Children must not be put to work.
- Young workers under the age of 18 must not be made to work at night, or in a hazardous environment. This work
  includes tasks using chemical substances, work near such substances, or work where there is hazardous machinery
  or excessive noise. Heavy labor, night shifts, and work for long hours are also included.

#### 6. Living Wages

- Wages must be paid at or above the national/regional legal standards.
- Overtime allowances must be paid at the required statutory ratio.
- All allowances and benefits must be provided to workers as required by law.
- Documents detailing the labor conditions of workers, such as wage slips, information of labor recruiters, and contracts must be disclosed to workers.
- \*The living wage includes food, housing cost, clothing, and other additional expenses related to health, transportation, personal care, child care, and education.
- \*The base of the living wage calculation is based on the anchor calculation method of the Global Living Wage Coalition.

#### 7. Working Time

Workers must not be habitually required to work over 48 hours per week. On average, workers must be given a rest
period of one day every 7 days. Overtime must be voluntary and must not exceed 12 hours per week. Overtime must
not be habitually requested and additional fees must always be paid.

#### ■ 8. Discrimination

• Discrimination in the course of recruitment, remuneration, provision of training, pay raises, dismissal and retirement is prohibited with respect to race, class, nationality, religion, age, disability, gender, marital status, sexual orientation, union membership, or political party affiliation.

#### ■ 9. Regular Employment

- To the extent possible, operations must be executed on the basis of generally accepted employment relationships based on national laws and regulations.
- Recruitment fees for workers to get a job must be borne by employers, not by the workers ("Employer Pays Principle") unless allowed by local labor law.

#### 10. Subcontracting Agreements, Domestic Industry, Outsourced Processing

• Subcontracting is not permitted without the prior consent of customers.

#### ■ 11. Disciplinary Action

- Physical abuse or punishment, threats of physical abuse, sexual or other forms of harassment, or verbal abuse or threats, must be prohibited.
- Disciplinary methods must be fair and effective and must not be arbitrary.
- Employers must show respect for the mental, emotional and physical health of workers in connection with the necessary disciplinary action.

#### 12. Environment

- Organizations must pursue continuous improvement in their environmental performance and, at the very least, comply with local requirements and international laws and regulations.
- Chemical substances prohibited by international treaties, or laws and regulations, must not be used.

#### ■ 13. Fair Business Practices

• Laws and regulations related to fair business practices must be understood and complied with.

#### ■ 14. Ensuring Product Safety

• Products delivered to each Seven & i operating company must comply with the quality standards requested by each relevant operating company and comply with relevant legal standards established in Japan.

#### ■ 15. Security Management

Security systems must be in place to ensure protection from access with malicious intent.

#### ■ 16. Interests of Local Communities

• Relationships with anti-social forces must be rejected.

#### Evaluation and Certification of CSR audits

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

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

16 Audit Categories and Evaluation Categories (C1, C2)

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

#### **Evaluation Standard**

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

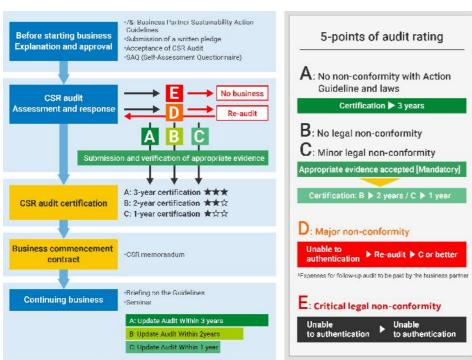
The "A" rating indicates that the CSR audit did not reveal any non-conformity with laws, regulations, or local ordinances, nor did it reveal any non-conformity with the Seven & i Group Business Partner Sustainable Action Guidelines.

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

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

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

Certification Operational Rules (in China and Southeast Asia)



Fiven in case of a rating equivalent to A or B, the pertitioation may be for one year

#### **Audit Evaluation Standard**

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

<sup>\*\*</sup>CIL-78I Significant honcompliance regarding forced labor, third and juven lellabor, disciplinary actions, and iving wage within audit requirements and reports.

\*\*CIL-Major render form tice in health and safety, working hours subcontinoung environment, and product security.

\*\*Even in case of a rating equivalent to A or B, the pertition may be for one year.

#### Flow of the Day of the CSR Audit

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



#### Confirmation of Correction after Audit

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

- ◆ Process for submitting a Corrective Action Plan (CAP)
  - (1) Report on the cause of non-conformity and corrective action plan: Submit to the auditor within 10 days
  - (2) Implementation of corrective actions: Submit evidence to auditors within 90 days.\*
  - (3) Appropriate CAP: Accepted by auditor → Confirmed and approved by Seven & i Holdings → Certificate issued Inappropriate CAP: Return submitted documents and request for re-submission
    \*If evidence of correction is not submitted within 90 days of the completion of the audit, a re-audit (follow-up audit) will be conducted.

#### Response to Major Non-conformities

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

#### CSR Audit Certification System

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



CSR audit certification "Certificate of Conformity"

## **Results of CSR Audits of Suppliers**

#### CSR audits of Overseas Factories

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

In order to ensure fairness, we outsource our audits to an external inspection organization, TÜV Rheinland Japan. In principle, auditors are registered with the Association of Professional Social Compliance Auditors (APSCA,) an professional standards body for independent Social Compliance Auditors, and regular meetings are held with auditors every year to standardize the required items.

## Our Definition of "Critical Suppliers"

Seven & i Holdings defines 1,471 factories as critical suppliers. They manufacture the Group's private brand products, Seven Premium, or private-brand products for Group companies in China and Southeast Asia (13 countries). They deal with high volume and we consider them critical for our products and non-substitutable. Approximately 300,000 people worked in the factories defined as critical suppliers, with a gender ratio of 49% male and 51% female.

#### **Number of CSR Audits (Overseas Factories)**

FY	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Plan
No. of audited factories	17	28	328	226	245	215	274	304	413	357	322	327
Implementation rate*1 (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	89.8*2	79.9*2	74.2*2	-

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

<sup>\*2</sup> Suspended audits at some factories to prevent spread of new coronavirus

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

FY	Total		FY <b>Total</b> Aparel		Household Goods			Foods				
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
No. of re-audited factories	40*	37	28	24	17	17	9	12	3	7	8	8

<sup>\*</sup> Introduce a certification system based on CSR audits as a condition for starting new transactions from FY2020

- > Number of Factories with Non-conformity Found by Country and Audit Category from FY2019 to FY2022 (Oversea Facto
- > Number of Factories Audited by Product Category from FY2019 to FY2022 (Oversea Factories)

Response to Non-conformities (CSR Audit Major Non-Conformity Cases and Remedial, Corrective, and Preventive Actions for Non-Conformity)

In the fiscal year ended February 28, 2023, CSR audits found doubts of non-conformity in 257 out of 322 factories. Seven factories of them were identified to have [Major Non-conformity Critical 1]. Regarding living wage (minimum wage), four cases of payment of wages below the minimum wage was found, or payment of wages above the minimum wage to some employees could not be confirmed. Regarding young labor, five cases of mismanaging employee identification cards were identified. For all nine of these major non-conformities, we have confirmed that remedial and corrective actions have been taken, including payment of the shortfall in wages. In addition, as the result of the CSR audits, there were no cases of non-conformities related to forced labor, child labor under the age of 15, or disciplinary actions.

To prevent the occurrence of non-conformities, in the fiscal year ended February 28, 2023, we held on-demand supplier compliance training online for approx. 1,500 companies to explain examples of non-conformities that are likely to occur (e.g., human rights violations.) A total of 4,377 people have viewed the videos, bringing the total number of page views to 20,157. We continue to promote ongoing efforts to respect human rights and improve the working environment.

### CSR Audits of Domestic Factories

Seven & i Holdings has been conducting CSR audits of factories to which we outsource the manufacture of our "Seven Premium" private-brand products in Japan since 2018 to appropriately address issues such as employee work style reform, employment of foreign workers, and global environmental conservation. The number of audits conducted was 50 factories on a trial basis in fiscal 2018, and full-scale audits are being conducted at 327 factories in fiscal 2019, 271 factories in fiscal 2020, 371 factories in fiscal 2021, 535 factories in fiscal 2022 (about 50% of the total). As a result of the audits in the fiscal year ended February 28, 2023, some form of non-conformity was confirmed at about 95% of the factories, and corrective measures are being taken. One serious nonconformity regarding child labor was identified, but it was due to an errors in the employment regulations, and there was no actual child labor. No nonconformities related to forced labor, disciplinary actions, discrimination regarding foreign workers, or forced labor were identified.

Seven-Eleven Japan commissions a third-party organization to conduct CSR audits of some of its suppliers in Japan based on the same standards as the Seven & i Group CSR audits. This initiative began in fiscal 2016, and in the fiscal year ended February 28, 2023, 62 factories at 62 companies were audited. We will continue to promote CSR by involving the supply chain.

- > Number of Factories with Non-conformity Found by Audit Category from FY2019 to FY2022 (Japan)
- > Number of Factories Audited by Product Category from FY2019 to FY2022 (Japan)

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

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

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

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

Seven & i Holdings holds local briefings on the Seven & i Group Business Partner Sustainable Action Guidelines and related policies for suppliers in China and Southeast Asia, where CSR risks are considered to be high, among those to whom we outsource the manufacture of private brand products.

At the briefing, a representative from the Sustainability Development Department of Seven & i Holdings provides explanations accompanied by a local language interpreter.

In fiscal 2018, briefings were held in China, Thailand, Cambodia, and Vietnam at 260 factories in total, with 402 persons at our business partners taking part (94.9% participation rate\*1).

In fiscal 2019, briefings were held in China, Myanmar, Thailand, Cambodia, Vietnam, and Indonesia at 287 factories with 482 persons at our business partners taking part (94.4% participation rate\*1).

In the fiscal year ended February 28, 2021, with the global spread of COVID-19 infections, briefing sessions on the Seven & i Group Business Partner Sustainable Action Guidelines and CSR audits were suspended. Accordingly, starting in June 2020 for our business partners with production facilities overseas we used on-demand distribution to brief on the Guidelines and encourage their implementation (viewed at 178 companies by 274 persons\*2). Furthermore, along with starting in August 2020 to make materials available for viewing in Chinese and five other Asian languages, we began in October to distribute briefing videos on CSR audits with Chinese narration to business partners located in China (viewed at 66 companies by 79 persons).

In the fiscal year ended February 28, 2022, we conducted briefing sessions about the Seven & i Group Business Partner Sustainable Action Guidelines and CSR audits via live and on-demand internet broadcasts. 1,071 persons from 517 companies watched the sessions. In the fiscal year ended February 28, 2023, we also conducted live and on-demand sessions, and 666 persons from 480 companies learned with the sessions\*2. We also presented particularly conscientious business partners with certificates of commendation and trophies to help their improvement efforts and stir interest.

- \*1 Percentage of factories participating in briefings among those subject to CSR audits (overseas)
- \*2 Reference values taken from access logs online briefings



Briefing Sessions on the Seven & i Group Business Partner Sustainable Action Guidelines and CSR Audits

## Conducting Compliance Training for Suppliers

Seven & i Holdings holds compliance training for its suppliers who manufacture private brand products on consignment with the aim of raising awareness of human rights, labor environment, and global environmental conservation, as well as promoting understanding of and thorough compliance with relevant basic laws and regulations. This training is based on the Seven & i Group Business Partner Sustainable Action Guidelines, CSR audit objectives, ILO International Labor Conventions, ISO 26000, occupational safety laws and regulations in each country, facility management, and chemical management. To deepen understanding of ESG benchmarks, case studies based on examples from peers and consultations on corrective actions based on CSR audit results are also offered.

Since 2020, due to the impact of the novel coronavirus infection (COVID-19), we have held online video training via on-demand delivery. In the fiscal year ended February 28, 2023, multiple contents are available for viewing at any time, and a cumulative total of 14,698 people viewed the videos. For the management and preparation of the training, we ask TÜV Rheinland Japan Ltd., which handles CSR audits, to conduct the training.

#### Compliance Training for Suppliers in FY2022 (as of February 28, 2023)

\* The number of viewers is extracted from the access status of the webpages.

No.	Content	No. of Viewers*
1	Aims and Objectives of CSR Audits	1,833
2	Legal Compliance and Corporate Ethics	586
3	Business and Human Rights	333
4	Flow of CSR Audits (1)	1,882
5	Flow of CSR Audits (2)	587
6	Occupational Health and Safety	5,130
7	Forced Labor / Wages and Working Hours	1,867
8	Chemical Substance Management / Environment	2,480
	Total	14,698

#### **Compliance Training for Suppliers by Fiscal Year**

- \*1 Training sessions were held lives or via video in FY2020 and FY2021.
- \*2 Training sessions were held on demand in FY2022.

	FY2020*1	FY2021*1	FY2022*2
Times (No. of Contents)	5 times	19 times	8 contents
No. of Participating Companies	604	517	480
Total No. of Participants (including Viewers)	870	3,566	14,698

## **In-House: Compliance Training**

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

#### Compliance Training (in-House) by Fiscal Year

	FY 2020	FY 2021	FY 2022
Times	5	6	3
No. of Participants	418	2,090	285

## Collaboration with Human Rights and Economy-related Organizations

Seven & i Holdings is making efforts to collect and disseminate information on supply chain management in cooperation with human rights and economic related organizations. We are a member of the Global Compact Network Japan (GCNJ) and the Council for Better Corporate Citizenship (CBCC), both of which are external organizations. We also participate as an advisory group company in the "JAPAN PLATFORM FOR MIGRANT WORKERS TOWARDS RESPONSIBLE AND INCLUSIVE SOCIETY," a joint secretariat of the Japan International Cooperation Agency (JICA) and The Global Alliance for Sustainable Supply Chains (ASSC). We aim to achieve a multicultural society by protecting the human rights of foreign workers, in our operation, as well as those in the supply chain, promoting the development of appropriate working and living environments, and realizing decent work for foreign workers. Furthermore, as part of these efforts, we are participating in the Foreign Worker Consultation and Relief Pilot Project, which was launched in May 2022 by the Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP MIRAI).

#### Main Activities:

- September 2019: Global Compact Network Japan
  At GCNJ's Basic Seminar, we explained our Business Partner Action Guidelines and CSR audits.
- · November 2019: OECD Advisory Board of Japan Business Federation and Corporate Behavior/ SDGs Committee, BIAC Japan representative

We participated in and gathered information from "Toward the Realization of a Sustainable Supply Chain in Asia: Promotion of International Cooperation for Responsible Corporate Behavior," which was jointly sponsored by the OECD, EU, Japanese government, and ILO.

- · January 2020: Public interest incorporated association Council for Better Corporate Citizenship (CBCC)
  We shared information at "Round-table Conference on Issues for Promoting CSR in the Supply Chain" held by CBCC.
- October 2020: Our Director and Managing Executive Officer participated in a panel discussion on "Corporate Management from the Perspective of Life and People" at the GCNJ Symposium 2020 as a panelist.
- > Click here for the "JAPAN PLATFORM FOR MIGRANT WORKERS TOWARDS RESPONSIBLE AND INCLUSIVE SOCIETY"
- > Click here for "Corporate Management from the Perspective of Life and People" at the GCNJ Symposium 2020 (Japanese)

#### **Information Disclosure**

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

## Relief Measure/Remedies

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

## Business Partner Helpline

The Business Partner Helpline is available to directors, employees, and former employees of our suppliers. The system is introduced at briefings for suppliers, and leaflets are distributed to promote awareness. In the fiscal year ended February 28, 2023, 42 cases were reported to the Business Partner Helpline.

> Details for the Seven & i Holdings Business Partner Helpline

# **Material Issue 7** Achieve a sustainable society through partnerships

## **Expanding the Role as a Form of Social Infrastructure**

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



## **Promoting Alliances with Municipalities**

Seven & i Group is promoting regional revitalization by concluding comprehensive alliance agreements with local governments in a wide range of fields, including local production for local consumption, senior support, health promotion, and environmental protection. Moreover, we are also moving ahead on concluding "watch over agreements" with local governments to look out for elderly people and so on during regular store operating hours, or through delivery services and collaborating with local governments to respond if irregularities are detected, as well as to train Dementia Supporters, and take other measures. In other developments, we have also concluded "supply-support agreements" to prepare for rapid regional support in the event of disasters, and we are also promoting "agreements for supporting people who cannot return home after a disaster" where we provide tap water, access to restrooms, and local information wherever possible.

Number of comprehensive alliance agreements with local governments (by operating company)

	As of the end of February 28, 2021	As of the end of February 28, 2022	As of the end of February 28, 2023
Seven-Eleven Japan	194	223	230
Ito-Yokado	56	77	78
York-Benimaru	10	11	14
York	4	4	4
Seven & i Food Systems	3	3	3
Total	267	318	329

> For information regarding support during disasters

#### Retail of Products which Contribute to Regional Revitalization

Seven & i Group makes use of comprehensive alliance agreements to promote various regional revitalization initiatives with respective local governments. For example, Seven-Eleven Japan recognizes the importance of local flavors and food cultures by developing products that use local ingredients. Ito-Yokado, York-Benimaru, and other Group companies are helping to promote the appeal of local areas by retailing regional products and proposals for menus using local products and ingredients. In the fiscal year ended February 28, 2023, at two stores in Yachiyo city, Chiba Prefecture, York participated in the Yachipan Project—an event for producing and selling bread based on ideas from local high school students carried out as part of the initiatives with local governments—and sold two types of bread.



"Pescatore made with firefly squid from Toyama Bay" (Seven-Eleven Japan)



"Chutan Chuppy Recommendation!

A Colorful and Filling Lunch Box"
supervised by Aomori Chuo Junior College (Ito-Yokado)



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

#### Establishment of Polling Stations in Stores

Ito-Yokado and Sogo & Seibu provide facilities within stores to be used free of charge for use as polling booths in cooperation with local governments. Local governments seek to increase the voting rate due to the reduction in number of polling booths and decline in voting rate due to the merger of municipalities, in addition to the enactment of the revised Public Offices Election Act, which lowered the voting age to 18. The booths are used to provide easy access to voters while they are shopping. During the fiscal year ended February 28, 2023, this was rolled out at 25 Ito-Yokado stores. It was publicized at stores via poster displays and in-store announcements, as well as printouts on receipts. In addition, considering the spread of COVID-19, we worked to prevent infection liaising with the secretariats of respective election administration commissions to provide thorough disinfection of pencils and voting podiums, as well as ensuring sufficient distances were maintained between lines.



A polling booth set up in an Ito-Yokado store

## Services also Available on Public Holidays and Night-times

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

#### Government Services (Issuance of Various Certificates)

7-Eleven stores, in an agreement with 1,104 municipalities (as of the end of February 2023), offer a service for issuing copies of residence certificates and seal registration certificates using in-store multifunctional copiers. This service is currently being expanded, including support for the issuance of family register certificates for 680 municipalities as well as tax certificates for 792 (Individual Number Cards are required to use the service). In February 2022, Seven-Eleven Japan also launched a service that allows users to initialize and reset the signature password for their Individual Number Card. These services for Individual Number Card holders are easily operable and can be used even late at night and on holidays, simply by waving the Individual Number Card over a scanner. Private information is given high security protection by a sophisticated dedicated network and special printing prevents forgery and manipulation.

#### Insurance Enrollment and Premium Payment Service

7-Eleven became the first in the industry to offer motorcycle and bicycle insurance enrollment and insurance premium payment services where customers can enroll in insurance 24 hours a day by entering the necessary personal information on the multifunctional copier screen in store and paying their premium at the register. (The service is for motor scooters and motorcycles with an engine displacement of 250 cc or less, which do not require a motor vehicle inspection.) "1 DAY Insurance" providing automotive insurance coverage in one-day increments has been available at all 7-Eleven stores since September 2015, and "1 DAY Leisure Insurance" that provides necessary accident coverage when needed has been available since April 2018. In addition, starting from June 2020, cancer insurance is being sold at all 7-Eleven stores. Furthermore, with the exception of cancer insurance, from September 2021, after applying for insurance online, it is now possible to pay insurance premiums directly at the cash register without going through a multifunctional copier.



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

## **Bicycle Sharing**

Seven-Eleven Japan is promoting the use of bicycle parking spaces on store grounds as sites for renting and returning shared bicycles and will be expanding the areas in stages. As of the end of February 2023, Seven-Eleven Japan has installed a total of 4,427 units at 613 stores. This program was launched at Ito-Yokado from June 2018, at Denny's restaurants from September 2018, and at York from 2020. As of the end of February 2023, the total number of units installed at Ito-Yokado was 178, and the total number of units installed at York was 64.

Bicycle sharing allows for bicycles to be rented from any of multiple stations within a certain region. After use, a bicycle need not be returned to the original location and can be returned to the station closest to the user's destination. Bicycle sharing is expected to supplement public transportation in areas that lack adequate transportation and can play an important role as infrastructure.



A store with a bicycle sharing site

## **Disaster Assistance**

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





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

Assuming that safety is ensured, Seven & i Group stores strive to remain open and resume operations as soon as possible to preserve community lifelines during disasters. The headquarters also supports stores by supplying products and supporting personnel, working together with the local community to fulfill its role as social infrastructure.

In addition, Group companies are promoting the conclusion of Agreements with Local Governments for Disaster Relief Supplies and Agreements for Assisting People Who Have Difficulty Returning Home. When disasters occur, the Group provides relief supplies in response to requests from the government and municipalities, as well as providing top water, toilets, road information, and so on to those who have difficulty returning home. In addition, each of the Group's stores conducts fund-raising activities to support disaster victims.

In July 2017, three Group companies, Seven & i Holdings, Seven-Eleven Japan, and Ito-Yokado, were designated as public institutions under the Disaster Countermeasures Basic Act, and are expected to utilize the distribution networks of Group companies nationwide to promptly procure and supply relief supplies.

In addition, Ito-Yokado stores are working to raise customer awareness of disaster preparedness in cooperation with local governments even during normal times, such as by developing disaster preparedness corners, cooperating in local disaster prevention activities, and holding disaster prevention events.

## **Cooperation with Local Government During Disasters**

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



Disaster Support Station sticker

## **Providing Means of Communication in Emergencies**

Seven-Eleven Japan has also set up emergency phones that can be used free of charge (special public phones for use during disasters) at a portion of its stores within Tokyo's 23 wards.



Emergency telephone

#### **7VIEW: Seven Visual Information Emergency Web**

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

In order to be able to ascertain the statuses of stores in disaster areas more precisely due to the vital nature of initial responses when disasters occur, from the fiscal year ended February 28, 2023, we have started demonstration tests in which flood sensors are installed at franchise stores, the water level information is reflected in real time on 7VIEW, and alert emails are simultaneously sent to devices belonging to these franchise stores.

For these demonstration tests, sensors are installed on store premises and the water level information is linked to 7VIEW. The aim with this is to utilize IoT to ascertain more accurate flood information.

Additionally, in February 2023, the demonstration test conducted with the Tokyo metropolitan government to coordinate and utilize water outage information was our first public-private partnership trial. This is an initiative which aims to secure water essential for supporting life by highlighting the potential contribution of our store coffee machines in identifying water outage locations amid the risk of prolonged water outages during large-scale disasters. We will continue to contribute to improving the resilience of Japan as a whole through public-private partnerships as well as through our own disaster preparedness.

\* Visual-Information-Emergency-Web



7VIEW screen

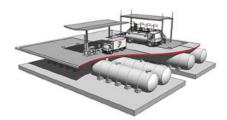
#### Features of 7VIEW

- 1. Reflects various information on disaster areas on a map
- 2. Allows Head Office to establish current statuses in real time
- 3. Facilitates more exacting initial responses
- 4. Linked with associated app
- > For more details on 7VIEW (in Japanese)
- > For more details on the trial demonstration to track the status of water outages and flooding with 7VIEW (in Japanese)

## **Fuel Depot for Delivery of Emergency Provisions**

One of the important priorities of Seven & i Holdings in the area of business continuity in emergencies is maintaining fuel supply networks in the event of a major disaster. We have established a fuel depot in Saitama Prefecture that can be used by product delivery trucks to transport emergency provisions, a first for a Japanese retailer.

The depot maintains a permanent supply of 400 kiloliters of fuel, and when a disaster occurs it can be used to deliver emergency provisions and products for up to ten days to evacuation centers in affected regions and elsewhere and to the Group stores and establishments in the Tokyo metropolitan area.



Fuel for vehicles is stored in underground tanks

## **Social Contribution Activities**

Seven & i Group fulfills its responsibilities as a member of many local communities by fostering coordination and cooperation with each community. At the same time, the Group supports society overall by contributing to community development and the creation of prosperous living environments through its businesses, in conjunction with making appropriate donations in consideration of the benefits to society and the general public.

In social contribution activities, the Sustainability Development Department promotes activities in coordination with relevant departments in each Group company under the leadership of the Senior Managing Executive Officer, Representative Director and Head of ESG Development Division of Seven & i Holdings.







#### **Effect Measurement Method**

Seven & i Holdings seeks to mitigate the environmental impact associated with its business activities and to contribute to making a better society through those activities. When selecting external partners for activities, we always ensure that they have a philosophy that is compatible with our own, and that they have sufficient specialist expertise.

We measure the effect of our social contribution activities based on four perspectives. Moreover, we plan to revise our measurement methods in the future to enable an even more accurate measurement of the inputs for an activity, the respective outputs for the Company and society after the activity, and the final impacts on the Company and society, respectively.

Effect Measurement Method	Detail
Verification of the Social     Contribution Activity Cost Over     One Year	The activity cost is verified by type and format of activity.
2. Verification with KPIs	The effect of the initiatives is measured numerically by using our established key performance indicators (KPIs). For example, we conduct "shopping support" services to assist seniors (Online convenience store / supermarket, mobile store service, etc.) and the effect of these activities is verified by using the number of stores involved, the number of operational vehicles, the amount of sales, and other metrics as KPIs. In addition to these numbers, we also reflect feedback from service users in our planning for the following fiscal year.  Further details about shopping support can be found here >
3. Dialogue with Organizations We Support	We confirm the results of activities reported by NPOs and other organizations to which we give financial assistance. We verify the effects of activities based on reported information such as the number of beneficiaries and the positive impact on them, as well as direct feedback obtained through dialogue with the assisted organizations. We also refer to these reports and feedback when deciding on the next round of recipients and projects that we will assist.

Effect Measurement Method	Detail
4. Survey of Employees Who Participate in Activities	We conduct questionnaire surveys of employees who participated as volunteers in activities we have planned, asking them about their level of satisfaction with the activity and points for improvement. The results are used to measure the effect of the activity and in planning our next activities.
5. Survey of Employees Overall	Every year we conduct an Employee Engagement Survey of a sample of employees from 34 Group companies. (Certain companies conduct sampling surveys.) Through the results of the survey, we confirm employees' awareness of their own companies. The results are used in our verification of the activities, and we formulate plans for the next year.  Sample question:  I believe my company:  Builds good relationships with local communities.  Conducts environmentally friendly business activities.  Is actively engaged in social contribution activities.  Further details about the Employee Engagement Survey can be found here >

## **Encouraging Employee Participation in Social Contribution Activities**

Seven & i Holdings believes that employee participation in social contribution activities is also crucial. Based on this belief, we plan and implement activities such as opportunities to experience nature and disaster reconstruction support programs. Moreover, to encourage employee participation in volunteer activities, Seven-Eleven Japan, Ito-Yokado, York, Seven & i Food Systems, and Seven Bank have instituted a volunteer leave system under which employees can take five days off per year for volunteer work. At Ito-Yokado, part-time workers may also take volunteer leave. In the fiscal year ended February 28, 2023, 9 employees in the Group took volunteer leave.

## **Placing Donation Boxes**

In March 2016, Ito-Yokado commenced activities to encourage customers and employees to donate funds throughout the year by placing collection boxes next to almost all of its POS registers nationwide. This fund collection drive is the first of its kind to be held at a superstore chain throughout the year and is being undertaken to help solve various social issues on a revolving basis every three months. In addition, since June 2020 we have been collecting donations over the internet through the Seven & i Group's Seven Mile Program. Through these fund collection drives, we raised ¥47,935,326 in donations from our customers and employees in the fiscal year ended February 28, 2023.

Furthermore, the "Thanks Blooming" initiative—launched in the fiscal year ended February 28, 2022 as part of our efforts to improve employee engagement—for collecting donations from employees by allowing them to exchange "Thanks Blooming" points as a way of saying "thank you" to their colleagues raised a total of ¥765,134. Ever since we began collecting donations at our stores in 2016, these three initiatives have raised a total of ¥255,340,308.

(Yen)

Implementation Period	Days	Fund Detail	Amount
March 1 to March 9, May 1 to May 31	40	Fund to Support Children's Futures	2,648,286
March 8 to April 30	54	Emergency Assistance Fund for Ukrainian Refugees	17,540,005
June 1 to August 31,	92	The Nippon Foundation "The Sea and Japan Project"	4,369,100
September 1 to November 30	91	Support for children in foreign countries	5,584,292
December 1 to February 28	90	Donation for the National Federation of All Japan Guide Dog Training Institutions	8,421,939
February 28 to March 12	33	Emergency Relief Fund for Earthquake in Turkey	9,371,704

## **Support for Training Guide Dogs**

Seven & i Group companies support the training of guide dogs for the visually-impaired and collect donations for this purpose at Ito- Yokado and York stores.

Ito-Yokado began making donations to the National Federation of All Japan Guide Dog Training Institutions in 1991 to support the training of guide dogs, and celebrated its 31th anniversary in 2022. From 1991 to 2022, a cumulative total of ¥101,703,904 has been donated.

## Social Contribution Activities through Donation of Products

Since August 2017, Seven-Eleven Japan has been donating a portion from product inventories – except fresh foods and products requiring permits such as alcohol, cigarettes, and stamps – that arise during store renovations to Second Harvest Japan, a foodbank organization.

In addition, Seven-Eleven Japan signed a three-party agreement with Yokohama City and the Yokohama City Council of Social Welfare in April 2018 and began a similar initiative. The donated products are distributed to organization and facilities that support people such as seniors, persons with disabilities, children, and the needy, leading to the promotion of social welfare and reduction of food waste.





Social contribution through donation of food

## Cooperation with White Ribbon Campaign

Akachan Honpo has been providing sponsorship for the White Ribbon Campaign launched by JOICFP to protect the lives and health of pregnant women and babies throughout the world. It has been working on the Community Safe Motherhood Project (which involves the donation of funds to establish Maternity Waiting Houses in Zambia). Besides accepting donations on behalf of JOICFP through its stores and online, it has also installed 29 White Ribbon Campaign Vending Machines at inside and outside of stores as of the end of February 2023. For every beverage purchased from one of these machines, the companies donate ¥2 to JOICFP (¥1 from the beverage manufacturer and ¥1 from the store where the machine is installed).



White Ribbon beverage vending machine

## Social Contribution Activities Costs (Fiscal Year Ended February 28, 2023)

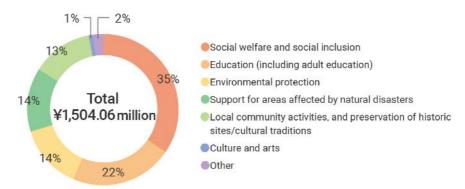
The social contribution activities provided by Seven & i Group in the fiscal year ended February 28, 2023, including the provision of financial assistance or the donation of goods, and the personnel costs of employees involved in these activities, amounted to a total of ¥1.50406 billion when converted into monetary terms. Of this total, cash donations were approximately ¥0.45 billion.

## Social contribution activities costs in the fiscal year ended February 28, 2023

(Thousands of yen)

Category	Amount	
Administration cost	595,924	
Donation of goods	455,428	
Cash donations	450,893	
Personnel costs of employees participating in activities during work hours	1,759	
Costs for using the Group company's facilities	63	
Total	1,504,067	

## Social contribution activities cost in the fiscal year ending February 28, 2023



\* The total accounts for the cost of Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, Akachan Honpo, Seven & i Food Systems, and Seven Bank (The sales of the eight companies account for 96% of the Group's sales in Japan.) Calculated based on Fiscal 2011 Key Points Regarding the Implementation of Social Contribution Activity Surveys by Japan Business Federation, "Keidanren." However, political contributions are excluded.

## **Overseas Initiatives**

## **Business Operations in North America**

Seven & i Holdings operates convenience stores in North America.



## 7-Eleven, Inc. >

Net sales: ¥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

Established: December 2010

Number of stores: 85

## **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  $CO_2$  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 CO<sub>2</sub> 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<sub>2</sub>e emissions by 151,000 MTCO<sub>2</sub>e year over year from FY2021 and by 526,300 MTCO<sub>2</sub>e from FY2013. SEI reduced CO<sub>2</sub>e 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 CO<sub>2</sub> 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 <sub>2e</sub> )	759	1,002	851
CO <sub>2</sub> emissions*2,3(market-based) (1,000 t-CO <sub>2</sub> )	755	997	848
Electricity consumption*2(GWh)	2,306	3,213	3,186
Water usage*2(1,000 m³)	10,637	10,544	15,480

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

- \*2 Calculations are based on estimated electricity consumption for stores where data was not available.
- \*3 Verified by a third party
- \*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.

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

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 culture that celebrates diversity and promotes equality, respect and belonging.

Cultivate diverse talent by creating new opportunities to attract, develop, and retain the best people regardless of race, gender, ethnicity or background.

Positively impact the marketplace by supporting organizations and community partners that share our values and beliefs.

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





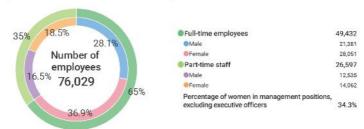








## Personnel data in the U.S. and Canada (as of the end of December, 2022)



#### 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

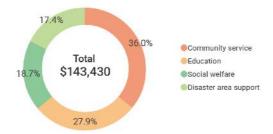
These values define SEH as a business for the community, for partners and for employees. The practice of Our Promise then becomes the cornerstone for the words and actions of employees. To promote "Our Promise," the company started a program for recognizing exceptional employees. First, all employees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



#### Thriving with Local Communities

As a good corporate citizen, SEH supports activities and NPOs involved with children, education, public welfare, and health. In FY 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.











#### 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.

## Personnel data of SEVEN-ELEVEN HAWAII, INC. (as of the end of December, 2022)



#### **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

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 m³)	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



#### **Chinese Convenience Store Business**

#### **Providing Safe and Reliable Products**

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



#### **Product Quality Management**

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

#### • Introduction of Quality Management System

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

In addition, Q's Café Factory and Beijing Want-Yang Foods obtained HACCP\*1 certification in March 2017 and March 2018, respectively. Beijing Want-Yang Foods began conducting ATP wipe inspections in November 2021, and is working to manufacture safer and more secure products. In October 2021, additional pillow wrapping machines were introduced, and burgers and rolls that were previously manufactured by hand are now being converted to pillow wrapping. 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 and SEVEN-ELEVEN (CHENGDU) employees hold monthly study sessions to improve product quality and stability. SEVEN-ELEVEN (TIANJIN) has been selling salads using the cold chain since July 2019.

<sup>\*1</sup> 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

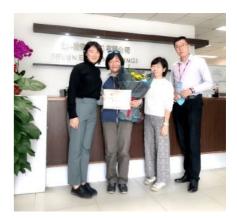
#### **Programs to Raise Employee Motivation**

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  $CO_2$  emissions in excess of 5,000 tons are subject to upper limits on  $CO_2$  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  $CO_2$  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  $CO_2$  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 (1,000m³)	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 m³)	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 m³)	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.

## **Chinese Superstore Business**

#### 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 Structure	CSR Management Committee	CSR Management Committee
	Corporate Ethics and Culture Subcommittee	Corporate Ethics and Culture Subcommittee
	Consumer Affairs and Quality Control Subcommittee	Consumer Affairs and Quality Control Subcommittee
	Environmental Subcommittee	Environmental Subcommittee

<sup>\*</sup> Fiscal year ending December 31 (number of stores as of December 31, 2022; number of employees as of February 28, 2023)

<sup>\*</sup> Exchange rate of CNY1 = \$19.50

<sup>\*</sup> 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.

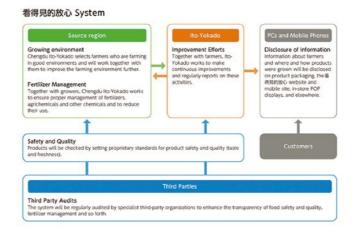
We also offer "flower vegetables," a winter staple vegetable in Sichuan province as part of the 看得见的放心range. Five varieties and different shapes of flower vegetable were developed at production sites in Jianyang City and Pengzhou City, Sichuan, respectively. The different hues and textures of these are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



"看得见的放心" Shoen black pig products



"看得见的放心" flower vegetable 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

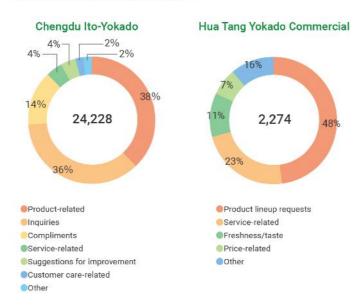


Sharing of inspection results by the Administration Division and store staff members  $\label{eq:continuous}$ 

#### "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



Cleanup at Zhongshan Square, a haven for pedestrians in Chunxi  $\,$ 



Hua Tang Yokado Commercial cleanup activity



Hua Tang Yokado Commercial cleanup activity

#### **Promise to Employees**





#### Store Management by Local Employees

All Chengdu Ito-Yokado and Hua Tang Yokado Commercial stores have actively promoted local employees since the opening of their stores in China in order to create stores that are rooted in the local community, and Chinese staff are 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.

#### Employee Data (As of the end of December 2022)

	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%)

#### **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 m³)	540	563	684
Water usage (1,000m³)	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 m³)	335	256	274
Water usage (1,000m³)	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

# **External Recognition and Awards**

# Major Recognition Regarding Sustainability (As of February 28, 2023)

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

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA

Dow Jones Sustainability
Index:Member of DJSI Asia-Pacific.

The Dow Jones Sustainability Index was launched in 1999 as the first global sustainability benchmark. It is offered by RobecoSAM and S&P Dow Jones. The series tracks the stock performance of the world's leading companies in terms of economic, environmental, and social perspectives. Seven & i Holdings has been selected as a constituent of the DJSI Asia Pacific index for the 14th consecutive year, which focuses on the Asia-Pacific region.

> Further details about the Dow Jones Sustainability Index can be found here



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

The FTSE4Good Index Series





The FTSE Blossom Japan Index is created by global index provider FTSE Russell. The index is designed measure the performance of Japanese companies demonstrating strong environmental, social and governance (ESG) practices. The FTSE Blossom Japan Index is widely used for creating and evaluating sustainable investment funds and other financial instruments. Seven & i Holdings has been selected as a constituent of the index.

FTSE Blossom Japan Index

> Further details about the FTSE Blossom Japan Index can be found here



MSCI ESG Leaders Indexes Constituent

The MSCI ESG Leaders Indexes are free float-adjusted market capitalization weighted indexes targeting companies that have the highest environmental, social and governance (ESG) rated performance. Seven & i Holdings was given a A rating (on a AAA to CCC ratings scale) in the MSCI ESG Ratings .

#### > Further details about the MSCI ESG Leaders Indexes can be found here

The inclusion of Seven & i Holdings into the MSCI indexes as well as the use of MSCI's logos, trademarks, service marks, and index names do not represent support, recommendation, nor promotion of Seven & i Holdings by MSCI or its affiliates. MSCI indexes are the sole property of MSCI. The names and logos of MSCI and MSCI indexes are trademarks or service marks of MSCI or its affiliates.



iSTOXX® MUTB Japan Platinum Career

The iSTOXX® MUTB Japan Platinum Career 150 Index is an ESG index focusing on "human capital" jointly developed by Mitsubishi UFJ Trust and Banking Corporation and STOXX, an index provider affiliated with Deutsche Borse. The index consists of 150 companies that are proactive in building employee careers from the three viewpoints of "long-term perspective," "autonomous learning," and "contribution to society," using the evaluation items for "Platinum Career" companies in the Toyo Keizai Inc. Seven & i Holdings was selected as one of the constituents.

> Further details about the iSTOXX® MUTB Japan Platinum Career 150 Index can be found here

# Response to/Participation in External Organizations



The Seven & i Group supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB) to help investors properly assess climate-related risks and opportunities and make investment decisions. We are participating in the TCFD Consortium, which was established to promote efforts by Japanese companies and financial institutions that support the TCFD recommendations, and are studying better information disclosure and dialogue with stakeholders.

#### > Further details about the TCFD can be found here



To achieve the  $CO_2$  emission reduction target set forth as one of the priority themes of the Environmental Declaration "GREEN CHALLENGE 2050", Seven & i Holdings is participating in the international initiative "RE100", which aims to make the electricity used in business activities 100% renewable energy. In addition, this participation is supported by the Japan Climate Leaders' Partnership (JCLP), a corporate group aiming to realize a sustainable decarbonized society.

> Further details about the RE100 can be found here

#### GREENHOUSE GAS EMISSIONS VERIFICATION STATEMENT

To: Seven & i Holdings Co., Ltd.



Bureau Veritas Japan Co., Ltd. System Certification Services Headquarters

Bureau Veritas Japan Co., Ltd. (Bureau Veritas) was engaged by Seven & i Holdings Co., Ltd. (Seven & i) to conduct an independent verification of the greenhouse gas (GHG) emissions reported by Seven & i in its Sustainability Data Book 2023.

#### 1. Scope of Verification

Seven & I requested Bureau Veritas to verify, to a limited level of assurance, the accuracy of the following GHG information:

1) Scope 1 and Scope 2 emissions:

- CO2 emissions from energy use through the following store operations within Japan, U.S.A (excluding stores operated by domestic licensees of 7-Eleven, Inc.) and Canada:

Name of company	Number of stores within the scope	Reporting period covered
Seven-Eleven Japan Co., Ltd.	21,789	
lto-Yokado Co., Ltd.	129	
York-Benimaru Co., Ltd.	248	
Seven & i Food Systems Co., Ltd.	358	April 1 2022 through March 21 2022
York. Co., Ltd.	104	April 1, 2022 through March 31, 2023
THE LOFT CO., LTD.	128	
AKACHANHONPO CO., LTD.	127	
SHELL GARDEN CO., LTD.	22	
7-Eleven, Inc.	12,811	January 1, 2022 through December 31, 2022

- CO<sub>2</sub> emissions from energy use through the operations of four factories of York-Benimaru Co., Ltd. within Japan for the period of April 1, 2022 through March 31, 2023
- CO2 emissions from energy use through the operations of one factory of IY Foods K.K. within Japan for the period of April 1, 2022 through March 31, 2023
- CO2 emissions from energy use through the operations of four offices (including the head office) and three directly-operated ATMs of Seven Bank, Ltd. for the period of April 1, 2022 through March 31, 2023
- CO2 emissions from energy use through the operations of the head office, Ito Training Center and Kuki Center of Seven & i Holdings Co., Ltd. for the period of April 1, 2022 through March 31, 2023
- 2) Scope 3 Category 1 emissions:

- GHG emissions from following goods and services purchased by Seven-Eleven Japan Co., Ltd.:

Purchased goods and services	Reporting period covered
Goods sold at stores and Uniforms for store staff	March 1, 2022 through February 28, 2023
Packaging materials used at stores	April 1, 2022 through March 31, 2023

#### 2. Methodology

Bureau Veritas conducted the verification in accordance with the requirements of the international standard 'ISO14064-3 (2019): Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements'.

As part of Bureau Veritas' assurance, the following activities were undertaken:

- Interviews with relevant personnel of Seven & i responsible for the identification and calculation of GHG emissions;
- Review of Seven & i's information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- · Audit of a sample of source data to check accuracy of quantified GHG emissions.

#### 3. Conclusion

Based on the verification work and processes followed, there is no evidence to suggest that the GHG emissions assertions shown

- are not materially correct and are not a fair representation of the GHG emissions from activities within the scope of work
- are not prepared in accordance with the methodology for calculating GHG emissions established and implemented by Seven & i.

	Verified greenhouse gas emis	sions
Scope 1	Scope 2	Scope 3 Category 1
114,083 t-CO <sub>2</sub>	2,571,802 t-CO <sub>2</sub>	10,059,315 t-CO₂e

[Statement of independence, impartiality and competence]

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years history in providing independent assurance services. No member of the verification team has a business relationship with Seven & i, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes.

# Seven & i Holdings

Website: https://www.7andi.com/en/sustainability/

#### **Group Environmental Data**

		Unit	FY2020	FY2021	FY2022
CO <sub>2</sub> emissions*1		t-CO <sub>2</sub>	2,768,932	2,970,892	2,685,885
	Scope 1	t-CO <sub>2</sub>	111,752	123,766	114,083
	Scope 2	t-CO <sub>2</sub>	2,657,180	2,847,126	2,571,802
Electricity consumption	n in store operations*2	GWh	6,625	7,521	7,295
Water usage in store of	operations*3	1,000m³	31,174	31,327	34,524

<sup>\*1</sup> The data is the total for 12 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, SHELL GARDEN, IY Foods, Akachan Honpo, THE LOFT, Seven & i Food Systems, Seven Bank, Seven & i Holdings, and 7-Eleven, Inc. (Sales of the 12 companies cover 98.9% of the Group's total sales.) The figures through FY2021 include Sogo & Seibu along with Barneys Japan, and in FY2020 Life Foods. For calculation conditions, please see environment-related data recorded in the data section of each operating company. With respect to results of third-party audit of CO2 emissions, please refer to the "Greenhouse Gas Emissions Verification Report."

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

Breakdown of number of		
(as of the end of Februa		(persons)
Full-time employees*2		22,742
	Male	16,515
	Female	6,227
Part-time staff*3		36,461
	Male	6,889
	Female	29,572
Number of employees		59,203
(full-time employees + pa	ert-time staff)	
	Male	23,404
	Female	35,799
New graduate employees	s hired	470
	Male	242
	Female	228
Mid-career employees his	red	183
	Male	138
	Female	45
Turnover (full-time employees)		1,259
	Male	755
	Female	504

		Γ			
		FY2020	FY2021	FY2022	
Average length of service		16 years	17 years	18 years	
(full-time emplo	oyees)	6 months	1 months	8 months	
	Male	17 years 3 months	18 years 3 months	18 years 7 months	
	Female	13 years 8 months	14 years 2 months	15 years 3 months	
Number of full- took childcare I (males), (part-ti		1,120 (41) (518)	1,088 (53) (445)	1,117 (150) (398)	
Number of full- took nursing ca (males), (part-ti		49 (4) (35)	75 (8) (61)	96 (9) (75)	
Number of volu	ınteer leave recipients	7	10	9	
Percentage of fe	male full-time employees	27.4%	28.3%	28.2%	
Number of fem (percentage)*5	ale managers	2,246 (26.3%)	1,911 (24.9%)	2,659 (29.4%)	
	Team leader	1,571 (32.4%)	1,215 (30.4%)	1,925 (36.8%)	
	Section manager	599 (22.1%)	606 (23.3%)	636 (24.1)	
	Division manager	76 (8.2%)	90 (8.3%)	98 (8.3%)	
	Corporate officer*6	24 (13.0%)	28 (14.3%)	24 (14.3%)	
Percentage of with disabilities	Percentage of employees with disabilities*7		2.98%	3.16%	
Percentage of	paid leave taken	50.9%	55.4%	55.9%	
Full-time employee turnover rate		5.0%	5.7%	5.6%	

<sup>\*1</sup>The data is the total for 8 companies: Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Sogo & Seibu, Akachan Honpo, Seven & i Food Systems, and Seven Bank. (The sales of the eight companies account for 94.2% of the Group's sales in Japan.)

<sup>\*2</sup> The data is for 10 companies in all, excluding Seven Bank and Seven & i Holdings from the companies covered in \*1. (Sales of the 10 companies comprise 98.3% of the Group's total sales.) For calculation conditions, please see environment-related data recorded in the data section of each operating company.

<sup>\*3</sup>The data is the total for 10 companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, York, SHELL GARDEN, IY Foods, Akachan Honpo, THE LOFT, Seven & i Food Systems, and 7-Eleven, Inc. (Sales of the 10 companies cover 98.3% of the Group's total sales.) Also, the figures through FY2021 include Sogo & Seibu, and exclude IY Foods.

<sup>\*2</sup> The figure includes 1,324 persons reemployed after mandatory retirement.

<sup>\*3</sup> Monthly average, with 8 hours/day counted as one employee. Including contractual employees.

<sup>\*4</sup> Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

<sup>\*5</sup> The percentage of team leaders or higher positions, excluding corporate officers.

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

<sup>\*7</sup>The percentage for the fiscal year is as of June 1 of the following fiscal year. The percentage of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terube, Ltd. (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

# Data from Groupwide Helplines for Employees

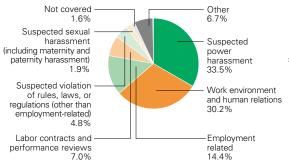
Seven & i Holdings has established the Groupwide Employee Helpline, the internal whistleblowing system for employees, with a third-party organization as a part of the group-wide internal controls to receive grievances and consultation requests from employees.

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

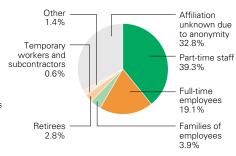
	FY2020	FY2021	FY2022
Number of reports	1,144	1,024	1,020

#### Breakdown of reports by category for FY2022 Reports received: 1,020

(down 0.4% from the previous fiscal year)



#### By user category



# Seven-Eleven Japan Co., Ltd.

Website: https://www.sej.co.jp/csr.html (in Japanese / English)
Number of stores as of fiscal year ended February 28, 2023: 21,252

# Create a livable society with local communities through various customer touchpoints

#### FY2022 Targets/Results and FY2023 Targets

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

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets		
Shopping :	Shopping Support					
	Cumulative number of mobile stores: 130 Expand the number of new mobile store launches while improving sales at existing stores	Cumulative number of mobile stores: 117     Focused on improving sales at existing     mobile stores. For new mobile stores, we     proceeded while responding to regional     requests on a store-by-store basis	Δ	Cumulative number of mobile stores: 145 Expand new stores and areas with stores and improve sales at existing mobile stores Expansion of 7NOW: 5,000 stores (cumulative total of implementing stores) Expand delivery areas in stages		
Implement	ting crime prevention measures for local comm	unities				
	Strengthen cooperation with the police, hold drills aimed at prevention of special frauds which are on the rise, and verification of age of customers when selling alcoholic beverages and tobacco. Expand the participation rate of franchise stores in crime prevention drills to more than 50%	A total of 6,757 franchise stores responded to a questionnaire that they had prevented special fraud, confirming that efforts have contributed to local security. The participation rate of franchise stores in crime prevention drills was 17.7% (compared to 24.7% last time), in part due to effects from the COVID-19 pandemic, and innovative measures (concerning implementation details and scale) are needed to build relationships with police and local communities	Δ	Participation rate of franchise stores in crime prevention drills: 35%     Strengthen cooperation with the police, hold drills aimed at prevention of burglary crimes and special frauds which are on the rise, and verification of age of customers when selling alcoholic beverages and tobacco		
Maintainin	Maintaining more customer-friendly and reliable stores and facilities					
	Stores newly adopting barrier-free design (installing wheelchair-accessible toilets): 23     Number of stores newly or additionally installed with guard pipes to prevent vehicle "dive" accidents: 117	Stores newly adopting barrier-free design (installing wheelchair-accessible toilets): 20     Number of stores newly or additionally installed with guard pipes to prevent vehicle "dive" accidents: 90	Δ	Stores newly adopting barrier-free design (installing wheelchair-accessible toilets): 13     Number of stores newly or additionally installed with guard pipes to prevent vehicle "dive" accidents: 214		

# Provide safe, reliable, and healthier merchandise and services

#### FY2022 Targets/Results and FY2023 Targets

FY2022	Y2022 Targets/Results and FY2023 Targets			
Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Ensuring	the quality and safety of products and services			
	Eliminate occurrence of serious accidents     Strengthen the quality assurance system by promoting DX	Promoted digitalization at daily foods manufacturing factories     Used Al, Bl tools, and SaaS to ensure operational accuracy and reinforce structures		Eliminate occurrence of serious accidents     Strengthen the quality assurance system by promoting DX
Building q	uality control systems			
	N/A due to new target set for FY2023	N/A due to new target set for FY2023		Quality control training for employees:     Conduct e-learning 12 times     Implement to prevent product-related accidents and create systems for the acquisition of more specialized knowledge     NDF-FSMS certification system: 100% acquisition     Acquisition of certification by all factories.     After certification, perform maintenance audits and improve management systems
Food safe	ty and reliability			
	N/A due to new target set for FY2023	N/A due to new target set for FY2023		Use of food additives Use the minimum necessary types and quantities. Set voluntary standards for food additives Reducing trans-fatty acids Continue voluntary efforts to reduce total amounts Labeling of food allergens Expand the categories of information disclosures concerning specified ingredients and equivalent items on the website

Health and nutrition						
N/A due to new target set for FY2023	— N/A due to new target set for FY2023	Development of healthy food products Expand development of the Seven-Eleven healthy product series     Labeling of nutritional components Also label sugars (available carbohydrates) and dietary fiber, which is not required under the Food Labeling Law. Improve package designs to make them easier to consumers to understand				

# Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

# FY2022 Targets/Results and FY2023 Targets

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023Targets
	ental management			3
	Expand scope of acquisition of ISO14001 to Seven-Eleven Okinawa	Expanded scope of certification to Seven- Eleven Okinawa and implemented PDCA to reduce environmental impacts	0	Achievement of 100% ISO 14001 certification rate for domestic business sites and directly-managed stores     Acquisition of Eco Action 21 certification: 152 factories     Acquire environmental management system certification with a focus on Eco Action 21 at some factories where daily products are manufactured
Reducing	waste and developing a circular economy		T -	T.
	Reduce petroleum-derived single-use plastics and switch to environmentally friendly materials	Switched to environmentally friendly materials including switching to paper packaging for some daily products	0	Reduce petroleum-derived single-use plastics and switch to environmentally friendly materials
Raising er	nvironmental awareness among employees			
	Annual number of employees who pass the Eco Test: 150     Inform those who take the Eco Test about environment-related volunteer activities     Conduct e-learning for all employees to raise environmental awareness	Annual number of employees who pass the Eco Test: 192 (cumulative total of 4,141 people passing the test)	0	
Effective u	use of resources			
	N/A due to new target set for FY2023	— N/A due to new target set for FY2023		Installation of PET bottle collection machines: 3,660 stores; total volume collected by PET bottle collection machine 2,418 t       Encourage bottle-to-bottle recycling with the cooperation of stores and local residents with the objective of achieving circular economy     Encouragement of customers turning down plastic bags through awareness-raising measures such as asking customers during checkout. Use money collected from the sa of plastic bags to pay part of the expenses for installing PET bottle collection machines.
Measures	against food loss and for food recycling			
	N/A due to new target set for FY2023	N/A due to new target set for FY2023		Food waste recycling rate: 53.6% Expand Eco Distribution whereby recommended waste disposal providers for franchisees in each region collect all waste from stores for appropriate processing and recycling     Initiation of an Ethical Project Grant 5% of the tax-excluded price for target products near their sales deadline a bonus nanaco points     Implementation of the Temaedori Project Reduce food loss by having customers select and choose products displayed in front of them. Collaborate with local governments in some regions     Expansion of products with longer-lasting freshness to 90% Expand the ratio of original daily products with sales deadlines of at least 24 hours

Climate change countermeasures		
N/A due to new target set for FY2023	— N/A due to new target set for FY2023	Steady implementation of responsive measures based on the TCFD recommendations Promote the introduction of energy-saving equipment (LED lighting, etc.) at stores Installation of solar power generation panels: 8,823 stores Development of hydrogen stations associated with stores: 3 stores Installation of electric vehicle chargers: 83 stores
Introduction of environmentally friendly packaging		
N/A due to new target set for FY2023	N/A due to new target set for FY2023	Promotion of the use of environmentally friendly cutlery Introduce cutlery that is comprised of 30% plant-based materials (biomass). Strengther efforts to check whether or not customers require cutlery Promotion of environmentally friendly product container designs to reduce the amount of plastic used Promotion of a shift to recyclable packaging to reduce CO2 emissions Expansion of the shift to containers that use recycled or biomass PET Shift from petroleum-derived PET containers to containers that include environmentally friendly PET (recycled or biomass PET) Expansion of the introduction of paper containers Switch from plastic to paper containers to reduce the amount of plastic used
Sustainable procurement of raw materials		·
N/A due to new target set for FY2023	N/A due to new target set for FY2023	Start of operation of the SEVEN CAFÉ     Code, a voluntary certification program of     SEVEN CAFÉ     Expansion of handling of certified products     with guaranteed sustainability (MSC     certification, etc.)
Supply chain management		
N/A due to new target set for FY2023	— N/A due to new target set for FY2023	CSR audit implementation rate at domestic manufacturing factories: 100% Outsource implementation of CSR audits to a third party under the same CSR audit standards as the Seven & i Group Introduction of environmentally friendly delivery vehicles (hybrid and other vehicles; 5,200 vehicles Introduction of environmentally friendly delivery vehicles (electric, hydrogen-fueled, and other vehicles): 10 vehicles Promotion of installation of demand controllers at distribution centers

#### **Environmental Data**

Elivifolimental Data	Unit	FY2020	FY2021	FY2022
	Offic	1 12020	112021	112022
CO <sub>2</sub> emissions*1*2*3	t-CO <sub>2</sub>	1,417,701	1,452,270	1,438,457
CO <sub>2</sub> emissions from store operations (per store)*1*3	t-CO <sub>2</sub>	1,198,890		1,229,295
		(56.7)	(55.8)	(56.4)
CO <sub>2</sub> emissions from logistics (per store)*1*4	t-CO <sub>2</sub>	216,285 (10.2)	214,924 (10.1)	207,558 (9.5)
Electricity consumption in store operations (per store)*1*3	GWh (MWh)	2,795 (132)	2,852 (129)	2,910 (134)
Water usage in store operations*1*5	1,000m³	11,709	12,192	12,313
Plastic bag usage per store (by weight)	t	0.50	0.41	0.35
Waste disposal (recycling rate)*6	t (%)	352,541 (60.9)	304,368 (66.7)	297,863 (67.1)
Food waste recycling rate*7	%	46.6	50.3	51.6

- \*1 The period of the calculations was from April to March.
- \*2The data represents CO<sub>2</sub> emissions stemming from the use of energy for store, Head Office and logistics center operations and by delivery trucks.
- \*3 Calculations are based on estimated electricity consumption for stores where data was not available.
- \*4 The data represents CO<sub>2</sub> emissions stemming from the use of energy for distribution center operation and by delivery trucks.
- \*5 Calculations are performed by estimating water usage for which meter reading data could be confirmed.
- \*6 Waste disposal and recycling rate excluding food waste. Calculations are estimated by the amount of waste from the stores in Tokyo, etc. The period of the calculations was from April to March. The amount of food waste was calculated based on the standard of \*7.
- \*7 Calculated based on the reports submitted by food recycling companies. The period of the calculations was from April to March.

# Achieve a society in which diverse people can actively participate

# FY2022 Targets/Results and FY2023 Targets

Challenges	FY2022Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Developm	nent of human resources			
	Provide e-learning in three types of frameworks: targeting all employees, by department, and optional (voluntary) system. Establish a system to actively share the know-how of each department     Further expansion of open web seminars. Build an environment that makes learning even easier, by switching part of the training for store employees to the web	A total of 123,202 employees participated in e-learning in three types of frameworks (up 15% from the previous fiscal year)  A total of 2,133 employees participated in open web seminars. Also, approximately 60 seminars were created for training store employees. Created a rank-based training system for assistant store managers and store managers so they can become active OFC	0	Creation of a system for supporting the acquisition of qualifications to draw out the desire to learn. In addition to the existing Eco Test, support acquisition of three different types of qualifications     Development of programs designed to support the acquisition of business skills that will draw out the design to take the initiative to learn in the form of open web seminars for training store employees
Achieving	a work-life balance			
	Increase the use of childcare leave by male employees     Reduce employees' overtime hours	Male employees who took childcare leave: 27.5%     Male employees who took childcare paid days off: 33.1%	0	Increase the use of childcare leave by male employees     Reduce employees' overtime hours
	Promote awareness-raising activities such as study sessions for managerial positions targeting supervisors who manage employees working shorter hours	Annual working hours per employees:     Down 19 hours	0	Promote awareness-raising activities such as study sessions for managerial positions targeting supervisors who manage employees working shorter hours
Assuring of	occupational safety and health			
	Continue to implement mental health training for assistant store managers and newly- appointed managers     Continue to disseminate information on preventing workplace accidents in advance. Reduce number of accidents in comparison with the previous fiscal year	Implemented mental health training for assistant store managers and newly- appointed managers	Δ	Continue to implement mental health training for managers and new employees
Implemen	nting fair assessment and treatment of employe	es		
	Revising design and execution of the new evaluation system Improve operational efficiency by revising the system and start operations in FY2023	Changed compensation systems to achieve appropriate compensation commensurate with actions and results     Partially changed the design, operation, and	Ο Δ	Start of operation of a new, fair compensation system based on actions and results     Start of operation of the new evaluation
	Conduct training targeting evaluators and evaluatees to promote understanding of the evaluation system and its operation	* Partially changed the design, operation, and structure of the new evaluation system     * Before changing the system, conducted training targeting evaluators and evaluatees to promote understanding of the evaluation system	0	Start of operation of the new evaluation system     Continue training targeting evaluators and evaluatees to promote understanding of the evaluation system

			T
Employment of people with disabilities     Percentage of employees with disabilities: 2.40%     Counselors for people with disabilities: 100     In-house job coaches: 15  Promote understanding of the importance	Employment of people with disabilities     Percentage of employees with disabilities:     2.59%     Counselors for people with disabilities: 101     In-house job coaches: 19     Job supporters for people with mental disabilities and people with developmental disorders: 8     Conducted normalization awareness seminars for managerial positions (243 online participants and 26 viewers of the archived version)     Promoted understanding of the	0	Employment of people with disabilities     Counselors for people with disabilities: 10-     Job supporters for people with mental disabilities and people with development disorders: 250     Conduct normalization training as a part onew employee training. Support retention of employees with disabilities and promot understanding concerning contact with customers
of continued support for active participation of diverse human resources  • Promotion of active participation of female	importance of continued support for active participation of diverse human resources  • Promotion of active participation of female	Δ	Promotion of active participation of female
employees  · Percentage of female managers (section manager): 25.0%	Percentage of female managers (section manager): 20.7%     Conducted 3 seminars to improve knowledge about women's health and increase mutual understanding (260 participants including men)		employees  Percentage of female managers (section manager): 25%  Continue seminars to improve knowledg about women's health
childcare leave Percentage of male employees taking childcare leave: 13.0%	Encourage male employees to avail of childcare leave     Percentage of male employees taking childcare leave: 27.6%     Held the Fathers' and Mothers' Class in October     Presented examples online of male employees taking childcare leave (3 times)	0	Encourage male employees to avail of childcare leave     Percentage of male employees taking childcare leave: 30.0%     Hold Fathers' and Mothers' Class twice a ye     Continue introducing examples of male employees who take childcare leave     Conduct D&I promotion and other seminars for managers. Encourage reform of awareness with management of divers human resources as the theme Topics     Gender gap, childcare leave by men, LGBTQ issues, women's health, work and family care, normalization
Balancing of work with childcare     Utilize not only the intranet but also an online conference platform to provide opportunities to employees nationwide for real-time sharing of their experiences such as workstyles after childbirth     Conduct training to improve knowledge about women's health, and promote mutual understanding	Balancing of work with childcare     Used an online conference platform to introduce the experiences of employees who achieved workstyles that balance work and childcare (approximately 900 participants over 9 sessions)	0	Striking a balance between work and childcare or family care     Conduct online sharing of working style case studies not only for childcare, but also for family care
rsity and inclusion			
	— N/A due to new target set for FY2023		Job seminars for seniors     Create employment opportunities for seniors who want to work     Training on customer service at cash registe for non-Japanese employees: 80 times     Continue training to teach Japanese cultur practices and the fundamentals of custom service     Employment support training for teachers and students at special-needs schools     Conduct as part of the support for the employment of people with disabilities in collaboration with each administrative authority
port for the enhancement of employee skills			
N/A due to new target set for FY2023	— N/A due to new target set for FY2023		Training for franchise store employees Lend support through training to franchise store owners' work to teach their employees Cash register customer support contest Held first national competition in June 202 with the objective of improving both work satisfaction for employees and the level of customer service in the stores

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#### **Personnel Data**

r ersonner Data		
Breakdown of number of (as of the end of February)		(persons)
Full-time employees*1		8,493
	Male	6,219
	Female	2,274
Part-time staff*2		3,398
	Male	1,524
	Female	1,874
Number of employees (full-time employees + pa	Number of employees (full-time employees + part-time staff)	
	Male	7,743
	Female	4,148
New graduate employees	s hired	137
	Male	82
	Female	55
Mid-career employees hi	red	13
	Male	8
	Female	5

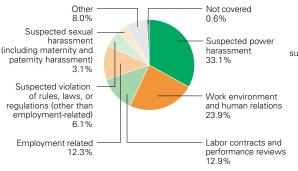
		FY2020	FY2021	FY2022
Average length (full-time emplo		10 years 8 months	11 years 11 months	12 years 9 months
Number of full- took childcare l (males, part-tim		341 (23, 1)	365 (36, 1)	366 (103, 2)
Number of full-time employees who took nursing care leave (males, part-time staff)*3		5 (2, 0)	7 (4, 0)	8 (4, 0)
Number of volu	inteer leave recipients	0	2	1
Number of fem (percentage)*4	Number of female managers (percentage)*4		204 (21.1%)	199 (20.6%)
	Section manager	201 (24.3%)	196 (23.6%)	195 (23.7%)
	Division manager	10 (6.8%)	8 (5.8%)	4 (2.8%)
	Corporate officer*5	4 (16.0%)	4 (15.4%)	4 (16.7%)
Percentage of edisabilities*6	employees with	2.35%	2.45%	2.59%
Percentage of paid leave taken by full-time employees		55.1%	66.1%	67.0%
Frequency rate of workplace accidents		0.72	1.09	1.75
Severity rate of	workplace accidents	0.02	0.03	0.02

<sup>\*1</sup> The figure includes 137 persons reemployed after mandatory retirement.

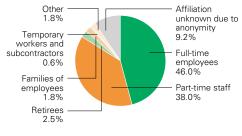
#### Data from Helpline for Employees

We strive to manage risk and comply with laws and regulations as a company, by appropriately operating an internal reporting system aimed at preventing violations by employees, their early detection and correction, and preventing recurrence of violations. Based on the results of the workplace environment survey of all employes and the content of internal reports, in FY2022 we sought to identify the underlying causes of issues and worked to prevent reoccurrence with the collaboration of each department. In addition, we hold committee meetings at all regional offices nationwide to inform employees about internal whistleblower hotlines and are continuing educational programs to encourage conduct by all employees in accordance with the Employee Conduct Rules.

#### Breakdown of reports by category for FY2022 Reports received: 163 (down 11.9% from the previous fiscal year)



#### By user category



<sup>\*2</sup> Monthly average, with 8 hours/day counted as one employee. Including contractual employees.

<sup>\*3</sup> Persons who took such leave in the applicable fiscal year. (takers continuing leave from the previous year + new takers of leave)

<sup>\*4</sup> The percentage of section managers or higher positions, excluding corporate officers.

<sup>\*5</sup> The percentage of female corporate officers is as of May 31 of the following fiscal year.

<sup>\*6</sup> The percentage for the fiscal year is as of June 1 of the following fiscal year.

# Create an ethical society through dialogue and collaboration with customers

# FY2022 Targets/Results and FY2023 Targets

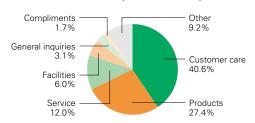
○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets		
Responding	Responding sincerely to customers' opinions					
	<ul> <li>Improve the quality of customer service and customer satisfaction through both phone and email</li> </ul>	Created specialized response teams for each category, such as product quality and store employee responses, to address inquiries and comments received by email, thereby improving the quality of responses	0	Collect responses not only by phone and email, but also by using chatbots and FAQs to collect additional feedback from customers and enhance the quality of customer responses		
	<ul> <li>Continue to develop and improve products based on customer feedback, and strengthen initiatives for proper utilization of customer feedback</li> </ul>	Confirmed communicator receipt logs for inquiries and comments received by phone and made individual improvements for those matters with problems	0			
Expanding 1	the role as a form of social infrastructure					
	— N/A due to new target set for FY2023	— N/A due to new target set for FY2023		Bicycle sharing: 723 stores     Promote the use of bicycle parking spaces     on store grounds     Number of regional comprehensive     collaboration agreements: 230 municipalities     Collaborate with local governments in     a wide range of fields, including local     production for local consumption,     senior support, health promotion, and     environmental protection, to promote     regional revitalization		

#### **Data from Customer Support**

We take all inquiries and suggestions from customers received by phone and email seriously and strive to respond in a sincere and customer-oriented manner. We promptly share the opinions, suggestions, and requests received with top management and relevant departments and seek to resolve issues in such a way that customers feel gratified that they consulted with the company.

Breakdown of inquiries by category for FY2022 Inquiries received: 140,902 (down 24.8% from the previous fiscal year)



# Disaster assistance

# FY2022 Targets/Results and FY2023 Targets

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets		
Providing s	Providing support for disasters					
	Consolidate the business continuity plan and improve internal capacities for disaster response through multiple disaster response training at headquarters and regional offices and all-company disaster prevention and inspection day	In addition to disaster response training at headquarters, conducted disaster response training at 7 regional offices. Also, on September 1, which is Group-wide disaster prevention and inspection day, confirmed the status of disaster preparedness at each headquarters, thereby improving the capacity for disaster response	0	Improve the capacity to respond to unexpected situations through headquarters disaster response training and conduct disaster response training at 10 regional offices. Also, confirm firefighting systems by performing Group-wide disaster prevention and inspection on September 1		
	Conduct joint research meetings on large- scale disaster response with respective government agencies and local authorities and several convenience store companies under the auspices of the Japan Franchise Association, and further strengthen cooperations. Implement appropriate community support in the event of large- scale disasters based on the business continuity plan	Conducted joint research meetings sponsored by the Japan Franchise Association on responding to an earthquake in the Tokyo region with the participation of 6 government agencies, 4 prefectures, and each convenience store company, thereby strengthening collaboration with the relevant organizations	0	Strengthen collaboration with the relevant organizations through joint research meetings on large-scale disaster response sponsored by the Japan Franchise Association		
	Continuity plan	Formulated Group-wide firefighting rules, restructured firefighting organizations, and reinforced systems	0			
Support fo	Support for regional relief activities					
	N/A due to new target set for FY2023	Provided water as relief supplies in response to a request from a local government in 1 prefecture at the time of extreme rainfall		Provision of relief supplies to the extent possible in response to requests from local governments and others during disasters		

# Social contribution activities

# FY2022 Targets/Results and FY2023 Targets

Challenges	FY2022Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets			
Donation of	Donation of products						
	N/A due to new target set for FY2023	— N/A due to new target set for FY2023		Donation of products to social welfare councils     Donate products to those suffering from poverty and others through social welfare councils with which the Company has signed agreements			

# Ito-Yokado Co., Ltd.

Website: https://www.itoyokado.co.jp/company/iycsr/index.html (in Japanese)
Number of stores as of fiscal year ended February 28, 2023: 126 (including one Marudai store)

# Create a livable society with local communities through various customer touchpoints

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
	to support the elderly			,
	Training dementia supporters     50% of all employees during FY2022     Number of training course takers during the year: 4,445 Total number of course takers: 15,000	Training dementia supporters  55.9% of all employees took the training course  Number of training course takers during the year: 4,016  Total number of course takers: 14,571  In March 2022, became the only retailer to declare its support for the Dementia Barrier-Free Declaration of the Japan Public-Private Council on Dementia	0	Training dementia supporters Increase training course takers to 75% of all employees by FY2023 and 100% by FY2024
For greate	r shopping convenience			
	Launch the Tokushimaru mobile supermarket (mobile sales trucks)     25 trucks (cumulative total: 100)     Expand to regional stores	Launched the Tokushimaru mobile supermarket (including Marudai and Ishinomaki-Akebono stores)     29 trucks (cumulative total: 106)     Operations started by 9 trucks in Tohoku region and 5 in Western Japan	0	Switch the target for the Tokushimaru mobile supermarket from the number of new trucks to the number of sole proprietors     Target: 75 people (47 people in FY2022)     Reinforce sales at existing stores      Patie of calcate plant 1009/
	Expansion of online supermarket delivery business (achieve "always available and ready for pickup")     Expansion of pickup sites Implement pickup at all stores with online supermarkets     Start testing counter pickup service at 7-Eleven stores      Expansion of pickup methods     Non-contact services: Implement at all stores	Expansion of online supermarket delivery business     Implemented pickup at all stores with online supermarkets (104 stores)     Pickup service at 7-Eleven stores     In-store box acceptance: In testing at 5 stores in Arakawa-ku     Counter pickup: In testing at 10 7-Eleven stores     Installation of three-temperature lockers (in operation at 10 sites) 7-Eleven: 3 stores Storefront of Ito-Yokado: 5 stores Condominiums: 1 building Nursery school: 1     Expansion of pickup methods Non-contact services: Implemented at all stores	О О А	Ratio of sales to plan: 100%  Expansion of online supermarket delivery business  Begin operations at the Shin-Yokohama Center in August 2023 and shift shipment: of 36 stores in stages Implement the following measures in the areas of the 36 stores  Make drop-off and regular delivery services into standard services  Start a new drop-off services for when customers are not at home  Discontinue pickup at stores  Expansion of pickup methods  Expand Auto Lock Cond Drop-off Service: Expand to 800 buildings
Dodavid	Drop-off service: Expand to 30 stores Regular delivery service: Expand to 30 stores Auto Lock Condo Drop-off Service: Expand to 500 buildings  Number of new user members of online supermarket: 200,000	Drop-off service: Implemented at 15 stores Regular delivery service: Implemented at 15 stores Auto Lock Condo Drop-off Service: 560 buildings Number of new user members of online supermarket: 2,540,000 (as of the end of May 2023), an increase of 150,000		Number of members of online supermarke 2,700,000
Product de	evelopment focused on senior citizens			
	Encourage use of the Peace of Mind Support Catalog to propose shopping items that support the needs of both care givers and care recipients	Reinforced customer service at stores and enabled customers to request products not handled at stores and to make inquiries from their homes	0	Reinforce provision of health-conscious products for seniors, lineup of specialty products, and low-price products
	Developed products sales ratio: 25%	Developed products sales ratio: 30.6%	0	Developed products sales ratio: 33.0%
Implemen	ting crime prevention measures for local comm		_	
	Cooperate with regional crime prevention and other events held by local police stations with jurisdiction over each store	<ul> <li>Cooperated in joint patrols with local police stations, distribution of flyers, holding educational events, and displaying posters to prevent bank fraud, bicycle theft, and other crime</li> </ul>	0	Cooperate with regional crime prevention and other events held by local police stations with jurisdiction over each store
	Hold in-store crime prevention drills in cooperation with local police stations	Cooperated with local police stations and York-keibi Corporation, a Group company, to conduct crime prevention drills at large stores (Ario Ageo and Oi-machi stores) based on the assumption that suspicious persons will enter	0	Expand in-store crime prevention drills to all companies and improve the ability to respond to suspicious persons in stores

# Provide safe, reliable, and healthier merchandise and services

# FY2022 Targets/Results and FY2023 Targets

 $\bigcirc$ : Achieved  $\triangle$ : Almost achieved  $\times$ : Far from achieved

Challenges	FY2022Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Developm	ent of human resources (food-related departme	ents)		
	Dispatch food development personnel to culinary schools. Develop human resources who can propose new products and menu items from an overall perspective of food	Dispatched 20 food development personnel to culinary schools. In addition to dispatching personnel, collaborated with specialized schools to provide safe and secure products with greater consideration for health	0	Further reinforce external collaboration to with the aim of not only developing human resources but also creating post-training effects
	Conduct "intensive training for employees transferred to fresh food departments" as appropriate. Provide a program that enables employees who transfer from different departments to find their interests and gain satisfaction working with perishable foods	Created a mechanism that ensures that employees transferred from different departments undergo skills training conducted by specialized departmental trainers		Provide opportunities to personnel transferred to the foodstuffs department to learn from specialized departmental trainers and outside instructors. Create environments where personnel can work with broader perspectives
	Conduct general education using video tools. Prepare tools for individual product categories and make them available to all employees. Use in combination with in-person training to enhance pre- and post-learning and improve work acquisition rates	Started full-scale operation of the My Skills Navigator, a video training tool, as a means of creating environments where full-time and partner employees can learn at any time. Both on- and off-the-job training were used, leading to introduction effects	0	Closely examine the content of posted videos and conduct e-learning based on the video content. Further raise awareness concerning compliance with laws and regulations relating to safety and security
Ensuring t	he quality and safety of products and services			
	Number of complaints regarding food items: 20% decrease over previous fiscal year     Number of complaints concerning "change in quality" for food products overall: 20% decrease over previous fiscal year	Number of complaints regarding food items: 11% decrease over previous fiscal year     Number of complaints concerning "change in quality" for food products overall: 13% decrease over previous fiscal year	△ △	Number of complaints regarding food items: 20% decrease over previous fiscal year     Number of complaints concerning "change in quality" for food products overall: 20% decrease over previous fiscal year
Providing p	products and services that contribute to custom	ner health		
	Percentage of sales of boxed lunches with consideration for health (boxed lunch supervised by national registered dietitians): 5.4%	Percentage of sales of boxed lunches with consideration for health among all boxed lunch sales: 5.7%	0	Percentage of sales of boxed lunches with consideration for health (boxed lunch supervised by national registered dietitians): 5.4%

# Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

FY2022	Targets/	Results	and	FY2023	<b>Targets</b>
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Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Improving	energy efficiency and introducing renewable er	nergy		
	Switch downlights to LEDs at 58 stores	• Implemented at 52 stores		Consider installation of straight pipe LED lights (37 stores with sales floors, 69 stores with work area, 48 stores with escalators, and 34 stores with multi-story parking facilities)
	Install solar panels at 3 stores	Completed at Shinden and Ario Kashiwa	$\triangle$	Consider installation of roof-top solar panels
	Test an Al-controlled system for air	stores; installation started at Ario Ueda store • Conducted testing at Hachioji store,	$\triangle$	at 17 stores  • Investigate the design and installation of an
	conditioning and heat sources at 1 store	currently confirming effects		Al-controlled system for air conditioning and heat sources at the Hachioji store as a model
	Look into the introduction of farming-type solar power generation	Currently in discussions with *** including details of contracts	$\triangle$	Enter into contracts for installation of farming-type solar power generation
	Discuss installation of a solar carport at 1 store	<ul> <li>Moved forward with plans at 4 stores and plan to start work in FY2023</li> </ul>		Start construction of solar carports at 4 stores
	Test installation of waterless toilets at 1 store	Installation completed at Ayase store. Approval granted for Ario Kasai and Musashi-koganei stores Waterless employee urinals installed at Ayase, Ario Kasai, and Musashi-koganei stores. Water consumption at the Ayase store was reduced by approximately 1,150 m³ over 8 months	0	Consider installation of waterless urinals at 10 stores on company-owned properties
Reducing	waste and developing a circular economy			
	• Food loss and waste: down by 35% from FY2013	• Food loss and waste: down by 36.6% from FY2013	0	• Food loss and waste: down by 37% from FY2013
	<ul><li>Food waste recycling rate: 66%</li><li>Encourage Seven Farms initiatives</li></ul>	<ul><li>Food waste recycling rate: 68.1%</li><li>Installed 180 waste scales at 75 stores</li></ul>	0	Food waste recycling rate: 67%     Increase installation of waste scales

Promoting a circular economy			
Encourage in-store collection of PET bottles	In-store collection of PET bottles     Number of bottles collected by the Group:     Approx. 470.00 million     Number of bottles collected by the     Company: Approx. 118.05 million	Δ	Encourage in-store collection of PET bottles
Collect down. Increase collection of down futons and jackets with at least 50% down	Down collection     Number of down products collected: 1,748     Amount donated: 461,780 yen (excluding tax)     *Donated to the Kiritappu Wetland National Trust, a non-profit organization	Δ	Collect down. Increase collection of down futons and jackets with at least 50% down
Implement clothing replacement campaigns     June: new campaign     3R Promotion Month (October): Clothing and umbrella campaigns     Also plan collection of bottles, towels, and other products		$\triangle$	Implement clothing replacement campaigns     Environment Month (June), 3R Promotion     Month (October): Clothing and umbrella     campaigns     Also plan collection of bottles, towels,     futons, and other products
Raising environmental awareness among employees	, , ,		
Increase the Eco Test pass rate	Annual number of employees who pass the Eco Test: 409 (cumulative total of 3,237 people passing the test from FY2018 to FY 2022)	×	Annual number of employees who pass the Eco Test: 500
			Seek 100% participation by eligible persons in e-learning to gain understanding of and promote the GREEN CHALLENGE 2050
Collaboration with NPOs, NGOs, and other organizations			
<ul> <li>Increase number of the stores with collection boxes permanently installed for food drive activities to 70</li> </ul>	Increased number of the stores with collection boxes permanently to 75	0	Increase number of the stores with collection boxes permanently installed for food drive activities to 90
Sustainable procurement of raw materials			
Expand percentage of produce sales that are Traceable Vegetables with the Face of the Producer to 35%	Percentage of sustainable raw materials:     56.7%	Δ	Percentage of sustainable raw materials:     60%
Expand producers who have acquired JGAP certification to 240	Expanded producers who have acquired JGAP certification to 307	0	Expand sales of Traceable Vegetables with the Face of the Producer that have acquired JGAP certification to 50% of sales (34% in FY2022)
Encourage acquisition of GAP instructor qualifications by merchandisers and supervisors	37 employees acquired GAP instructor qualifications	0	Number of employees who acquire GAP certification: 26
Cooperate with pork and egg production areas and business partners to expand JGAP ingredients with a focus on Traceable Meats with the Face of the Producer (Yamagata buta pork, Seven Premium egg, Hokkaido Yongenton pork)     *There have been delays in screening and training	No new initiatives due to the COVID-19 pandemic. Increased the number of stores that handle beef products that have acquired JGAP certification	Δ	Acquire JGAP certification for private brand products including domestic beef and Hokkaido Kitaguni Yongenton pork and Seven Premium eggs
Sell silver salmon from Iwate Prefecture as a Seven Fresh MEL certified product and sweet fish as an MEL certified product	Started sales of silver salmon from Iwate Prefecture and other regions with MEL certification. Also started sales of sweet fish with MEL certification	0	Continue sales of MEL-certified silver salmon from Iwate Prefecture and other regions. Also continue sales of MEL- certified sweet fish
Acquire CoC certification for in-store processing of MSC and ASC products. Start with Atlantic salmon in the second half of the year	Acquired CoC certification for in-store	0	Continue sales of ASC Atlantic salmon. Start sales of ASC trout salmon
Number of products that use recycled PET:     130 product numbers	Expanded Seven Premium Body Cooler and Body Heater undergarment products made with recycled PET to 184 product numbers	0	Number of undergarment products made with recycled PET: 180 product numbers
Expand cotton USA products that are eco- friendly materials	Sold 57 product numbers of cotton USA products with a focus on undergarments	0	Number of cotton USA undergarment products made with eco-friendly materials: 60 product numbers
Develop products that use wind-spun yarn, which reduces CO <sub>2</sub> by using wind power to spin the yarn	Developed 26 product numbers of women's and men's casual wear products that use wind-spun yarn. Sales of shirts were strong	0	Develop products that use wind-spun yarn to reduce CO <sub>2</sub> emissions by using wind power to spin yarn Women's and men's casual wear: 30 product numbers
Number of products that use RENU recycled polyester material: expand to 42 product numbers	Developed 65 product numbers of women's and men's casual wear products that use RENU recycled polyester material. Developed pants and other products as priority products	0	Expand product that use RENU recycled polyester material     Women's and men's casual wear: 42 product numbers

#### **Environmental Data**

	Unit	FY2020	FY2021	FY2022
CO <sub>2</sub> emissions*1*2*3	t-CO <sub>2</sub>	374,997	341,923	292,885
CO2 emissions from store operations*1*3 (Environmental impact index*4)	t-CO <sub>2</sub> (t-CO <sub>2</sub> /(Mm <sup>2</sup> × 1,000 h))	353,469 (110)	319,690 (114)	292,866 (109)
CO <sub>2</sub> emissions from delivery vehicles*1*3	t-CO <sub>2</sub>	21,287	22,002	23,160
Electricity consumption in store operations*1	GWh	645	614	570
Water usage in store operations*1	1,000m³	4,795	4,747	4,633
Plastic bag usage (turndown rate) at all the sales floors*5	t (%)	825 (81.7)	595 (80.7)	578 (80.9)
Waste disposal	t	105,246	97,147	94,410
Food waste recycling rate	%	64.0	66.9	68.1

<sup>\*1</sup> The period of the calculations was from April to March.

# Achieve a society in which diverse people can actively participate

#### FY2022 Targets/Results and FY2023 Targets

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

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Child-rearii	ng support activities			
	Maternal and child care counseling service     Raise satisfaction of individuals who need to consult     Raise awareness of the consultation offices	Maternal and child care counseling service     Number of implementing stores: 98 stores     Number of operating days in one year:     4,835     Number of inquiries: More than approx.     140,000     Conducted first customer questionnaire     (implemented in October and November     2022; voluntary participation by store     customers) and reflected points of     satisfaction and dissatisfaction and     requests in services and operations     Produced new leaflets with messages from     consultation personnel at each store to     raise awareness of the consultation offices	0	Maternal and child care counseling service     Raise satisfaction of individuals who need to consult     Raise awareness of the consultation offices     Conduct customer questionnaires and reflect points of satisfaction and dissatisfaction and requests in services and operations

# Improve work engagement and environment for people working in Group businesses

# FY2022 Targets/Results and FY2023 Targets

Challenges	FY2022Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Diversity a	and Inclusion			
	Supporting active roles for women     Female management employees: section manager level 15.0%     Team leader level: Maintain at a minimum of 32.0%	Supporting active roles for women     Section manager level: 16.2%     Team leader level: 32.8%	0	Supporting active roles for women     Female management employees: section manager level 16.0%     Team leader level: Maintain at a minimum of 32.0%
Achieving	a Work-Life Balance			
	Percentage of male employees taking childcare leave: 50% (final target use rate: 100%)	Percentage of male employees taking childcare leave: 72.2%	0	Percentage of male employees taking childcare leave: 75% (final target use rate: 100%)
Developm	nent of human resources (overall)			
	Continue using the video learning service.     Provide opportunities to learn a wide range of general business management skills not limited to in-house work and further encourage self-initiated learning by employees	Established an environment where not only full-time employees but also partner employees can access the service, promoting employees' desire to learn and providing opportunities for all employees to learn at the same time	0	Closely examine the content of posted videos and conduct e-learning based on the video content. Further raise awareness concerning compliance with laws and regulations relating to safety and security
Effective u	use of diverse human resources			
	Percentage of employees with disabilities: 3.20% Provide opportunities for learning regardless of age, expand educational opportunities, and encourage the employment of seniors  Provide of the employment of seniors	Percentage of employees with disabilities: 3.33% Provided web-based learning tools regardless of age and career and promoted the effective use of seniors  Percentage of employees with disabilities: 3.33%	0	Percentage of employees with disabilities: 3.30% Provide opportunities for learning regardless of age, expand educational opportunities, and promote the effective use of all employees regardless of whether they are young or older  Output  Description:
	Resume acceptance of foreign technical intern trainees as soon as the environment allows for entry into Japan	Resumed acceptance of foreign technical intern trainees. Accepted approximately 40 trainees	0	Promote the effective use of foreign technical intern trainees

<sup>\*2</sup> The data represents CO2 emissions stemming from the use of energy for store, Head Office, training center and logistics center operations and by delivery trucks.

<sup>\*3</sup> CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

<sup>\*4</sup> CO<sub>2</sub> emissions per (total sales floor area × opening hours).

<sup>\*5</sup> Calculated as the weight of plastic shopping bags used on the entire sales floor excluding paper bags

Development of ideal working environment			
In addition to nursing care seminars, hold mental care seminars, step-up training, and other training that leads to retention and personal growth Provide training and self-development programs intended not only to maintain the 3-year retention rate of employees hired as recent graduates but also to retain younger employees in their 20s and 30s and improve motivation for achieving personal growth	In addition to various level-specific training, combined step-up training for candidates and elective training and supported personal growth and career enhancement     Provided web-based learning tools and supported improvement in attitudes toward self-directed learning	0	In addition to nursing care seminars, hold mental care seminars, step-up training, and other training that leads to retention and personal growth Provide training and self-development programs intended not only to maintain the 3-year retention rate of employees hired as recent graduates but also to retain younger employees in their 20s and 30s and improve motivation for achieving personal growth

#### **Personnel Data**

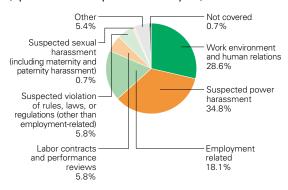
Breakdown of number of e (as of the end of February		(persons)
Full-time employees*1		5,582
	Male	3,880
	Female	1,702
Part-time staff*2		16,633
	Male	2,761
	Female	13,872
Number of employees (full-time employees + part-time staff)		22,215
	Male	6,641
	Female	15,574
New graduate employees hi	red	75
	Male	30
	Female	45
Mid-career employees hired		23
	Male	19
	Female	4

		E) (0000	E) (0.004	E) (0.000
		FY2020	FY2021	FY2022
Average lengtl		23 years	24 years	24 years
(full-time employees)		5 months	9 months	0 months
Number of full took childcare (males, part-tir		186 (7, 120)	193 (4, 97)	164 (8, 103)
Number of full took nursing c (males, part-tir		34 (2, 26)	25 (1, 23)	34 (2, 31)
Number of vol	unteer leave recipients	7	6	6
Number of fen (percentage)*4	nale managers	701 (27.6%)	490 (23.1%)	699 (28.4%)
	Team leader	625 (31.9%)	410 (26.2%)	618 (32.8%)
	Section manager	55 (13.9%)	54 (15.5%)	58 (16.2%)
	Division manager	21 (11.4%)	26 (12.1%)	23 (10.8%)
	Corporate officer*5	3 (13.0%)	4 (16.7%)	4 (19.0%)
Percentage of disabilities*6	employees with	3.19%	3.21%	3.41%
Percentage of paid leave taken by full-time employees		45.1%	47.2%	53.4%
Frequency rate	of workplace accidents	1.53	1.41	2.04
Severity rate o	f workplace accidents	0.04	0.05	0.06

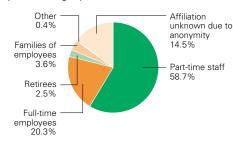
<sup>\*1</sup> The figure includes 625 persons reemployed after mandatory retirement.

#### **Data from Helpline for Employees**

Breakdown of reports by category for FY2022 Reports received: 276 (up 3.4% from the previous fiscal year)



# By user category



<sup>\*2</sup> Monthly average, with 8 hours/day counted as one employee. Including contractual employees.

<sup>\*3</sup> Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

 $<sup>^*4</sup>$  The percentage of team leaders or higher positions, excluding corporate officers.

<sup>\*5</sup> The percentage of female corporate officers is as of May 31 of the following fiscal year.

<sup>\*6</sup> The percentage for the fiscal year is as of June 1 of the following fiscal year.

#### Create an ethical society through dialogue and collaboration with customers

#### FY2022 Targets/Results and FY2023 Targets

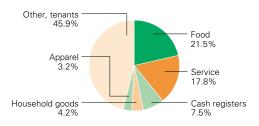
○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Respondin	ng sincerely to customers' opinions			
	Implement measures to prevent to the spread of COVID-19 while taking onto consideration social conditions     Number of complaints regarding customer service: down 20% from the previous fiscal year	Implemented measures to prevent to the spread of COVID-19 in line with changes in the social environment     Number of complaints regarding customer service: 91% compared to the previous fiscal year	×	Implement measures to prevent to the spread of COVID-19 while monitoring changes in social conditions     Number of complaints regarding customer service: 20% reduction over previous year     Number of compliments: up 20% from the previous fiscal year
Understan	ding customer needs			
	Expand in-store surveys by lifestyle advisors, who are specialized investigators, to 15 stores	Expanded the in-store surveys by lifestyle advisors to 15 stores     Conducted market research on competitors as an alternative means of narrowing the stores where surveys will be conducted during the COVID-19 pandemic	0	Continue implementation of in-store surveys by lifestyle advisors at 15 stores     Continue implementation of market research on competitors

#### **Data from Customer Support**

The total number of inquiries received in FY2022 decreased to 90.2% of the figure from FY2021, when concerns regarding COVID-19 countermeasures abated. Dissatisfaction relating to customer service, which is our primary focus as a company, also decreased, falling to 91% of the level in the previous fiscal year. To resolve customer dissatisfaction as much as possible, we will analyze the causes of complaints and take steps to prevent reoccurrence.

Breakdown of inquiries by category for FY2022 Inquiries received: 29,889 (down 9.8% from the previous fiscal year)



# Achieve a sustainable society through partnerships

#### FY2022 Targets/Results and FY2023 Targets

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Strengther	ning Enactment of Business Partner Action Guid	delines		
	Building sustainable supply chains     Continue to request that suppliers understand     and follow the Seven & i Group Business     Partner Sustainable Action Guidelines and     cooperate with CSR audits. Take action with     targets of achieving 30% A and B ratings     and no D and E ratings in CSR audits	Building sustainable supply chains Achieved 24.1% A and B ratings and zero E ratings in CSR audits, but 11 factories received D ratings	×	Building sustainable supply chains Continue to request that suppliers understand and follow the Seven & i Group Business Partner Sustainable Action Guidelines and cooperate with CSR audits. Take action with targets of achieving 30% A and B ratings and no D and E ratings in CSR audits
Expanding	services as a form of social infrastructure			
	Conclude new agreements with local governments (for a total of 82 local governments) onduct meetings to exchange information with local governments to promote ongoing efforts with the local governments with which agreements have been concluded	Concluded one new agreement with a local government, bringing the total to 79. Held meetings with the local governments with which agreements have been concluded to exchange information	Δ	Include new agreements with local governments (for a total of 82 local governments)     Conduct meetings to exchange information with local governments to promote ongoing efforts with the local governments with which agreements have been concluded

# **Disaster assistance**

# FY2022 Targets/Results and FY2023 Targets

 $\bigcirc$ : Achieved  $\triangle$ : Almost achieved  $\times$ : Far from achieved

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Providing s	support for disasters			
	Comprehensively notify employees about business continuity plans through drills and improve internal disaster response capabilities	Confirmed the details of the BCP in line with the annual schedule through disaster preparedness meetings at the Head Office, fire prevention and disaster preparedness management committees at stores, and various types of drills	0	Conclude agreements with those prefectures with which disaster management agreements have not been concluded     Comprehensively notify employees about business continuity plans through drills and improve internal disaster response capabilities
	Implement an exchange of opinions with respective government agencies and local authorities regarding disaster responses and further strengthen collaborations	As a specified public institution or business party to disaster management agreements, participated in discussions with the respective government agencies and local authorities and developed personal relationships	0	Implement an exchange of opinions with respective government agencies and local authorities regarding disaster response, and further strengthen collaborations
	In addition to concluding agreements, actively participate in disaster prevention drills and meetings held by local government and establish systems for providing appropriate local support during disasters	Conclusion of disaster management agreements: 4 new and 2 updated Participated in 2 practical training sessions relating to the transport of relief supplies, 5 disaster simulations, and other drills and confirmed internal cooperative systems in line with the disaster operations of local governments	0	In addition to concluding agreements, actively participate in disaster prevention drills and meetings held by local government and establish systems for providing appropriate local support during disasters

# **Disaster reconstruction support**

# FY2022 Targets/Results and FY2023 Targets

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023Targets
Social cont	ribution activity expenditures			
	Contribute to the development of local communities and the creation of enriching living environments through our business and continue to support society by making appropriate donations and other means, taking into consideration social and public aspects. Search for new initiatives in the with-COVID-19 era     Social contribution activity expenditures: up 10% from the previous fiscal year     Cumulative amount of in-store donations: 25.0 million yen (up 13% from the previous fiscal year)     Investigate installation of collection boxes compatible with semi-self-checkout and self-checkout registers	Contributed to regional development and the creation of enriching living environments . Social contribution activity expenditures: down 48% from the previous fiscal year . Cumulative amount of in-store donations: 3,289,440 yen (up 4.1% from the previous fiscal year) . Investigated installation of collection boxes compatible with semi-self-checkout and self-checkout registers		Contribute to the development of local communities and the creation of enriching living environments through our business and continue to support society by making appropriate donations and other means, taking into consideration social and public aspects. Search for new initiatives in the with-COVID-19 era     Social contribution activity expenditures: 100% compared to the previous fiscal year In-store donations: 110,000 yen collected per store     Investigate installation of collection boxes compatible with semi-self-checkout and self-checkout registers
Support for	r disaster recovery through Bellmark activities			
	<ul> <li>Launch new initiatives to support education in disaster-stricken areas in Japan through the Mirai Kakehashi Project (sign an agreement with Kirin Beverage Company, Limited)</li> <li>In-store collection: 4 million points (cumulative total of 21.5 million points)</li> </ul>	Supported education through the Mirai Kakehashi Project In-store collection at service counter: 1.24 million points (cumulative total of 17.88 million points)	×	Continue to undertake new initiatives to support education in disaster-stricken areas in Japan through the Mirai Kakehashi Project In-store collection at service counter: 1.25 million points (cumulative total of 19.13 million points)

# York-Benimaru Co., Ltd.

Website: https://yorkbenimaru.com/company/mecenat/ (in Japanese) Number of stores as of fiscal year ended February 28, 2023: 246

# Create a livable society with local communities through various customer touchpoints

#### FY2022 Targets/Results and FY2023 Targets

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

Challenges	FY2022Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets	
Promoting	Promoting regional development				
	Continue to hold Opening Anniversary     Festivals at each store	Continued to hold Opening Anniversary Festivals at each store	0	Continue to hold Opening Anniversary     Festivals at each store	
Implemen	ting crime prevention measures for local comm	unities			
	Continue to extend cooperation for the "Kodomo 110 Ban no Mise" initiative, including at new stores	Cooperated in "Kodomo 110 Ban no Mise" initiative	0	Cooperate in the "Kodomo 110 Ban no Mise" initiative at new storess	

# Provide safe, reliable, and healthier merchandise and services

#### FY2022 Targets/Results and FY2023 Targets

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

Challenges	FY2022Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets	
Ensuring t	Ensuring the quality and safety of products and services				
	Sales for private-brand three-star vegetables/ fruits (existing stores): up 5.1% from the previous fiscal year	Sales for private-brand three-star vegetables/fruits (existing stores): up 0.2% from the previous fiscal year	Δ	Sales for private-brand three-star vegetables/fruits (existing stores): up 3.9% from the previous fiscal year	
Maintainin	ng more customer-friendly and reliable stores an	d facilities			
	Seek compliance with the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.at new stores	Number of stores that comply with the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.: 128	0	Seek compliance with the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.at new stores	

# Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

#### FY2022 Targets/Results and FY2023 Targets

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

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets	
Improving	mproving energy efficiency and introducing renewable energy				
	Electricity consumption (existing stores):     down 4.8% from the previous fiscal year     Installation of solar power generation     facility: 20 stores (Annual CO <sub>2</sub> reduction of 3,101t)     CO <sub>2</sub> -free electricity procurement (Annual CO <sub>2</sub> reduction of 9,520t)	Electricity consumption (existing stores): down 5.9% from the previous fiscal year     Installation of solar power generation facility: 22 stores	0	Electricity consumption (existing stores): down 4.1% from the previous fiscal year     Installation of solar power generation facility: 46 stores (Annual CO <sub>2</sub> reduction of 16,632t)	

# **Environmental Data**

	Unit	FY2020	FY2021	FY2022
CO <sub>2</sub> emissions*1*2*3	t-CO <sub>2</sub>	192,766	208,685	199,501
CO <sub>2</sub> emissions from store operations (per store)*1*3	t-CO <sub>2</sub>	173,804 (733)	169,294 (705)	158,269 (638)
CO <sub>2</sub> emissions from delivery vehicles*1*3	t-CO <sub>2</sub>	18,518	18,026	20,682
Electricity consumption in store operations*1	GWh	340	364	325
Water usage in store operations*4	1,000m³	1,040	1,007	969
Plastic bag usage (turndown rate) at the food section	t (%)	337 (82.0)	286 (83.1)	291 (82.5)
Waste disposal (recycling rate)*4	t (%)	54,572 (55.6)	50,403 (62.1)	57,521 (61.6)
Food waste recycling rate*4	%	60.5	68.0	71.5

<sup>\*1</sup> The period of the calculations was from April to March.

<sup>\*2</sup>The data represents CO<sub>2</sub> emissions stemming from the use of energy for store, Head Office, training center and logistics center operations and by delivery trucks. Also, data for FY2021 includes CO<sub>2</sub> emissions from the operations of food factories.

<sup>\*3</sup> CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

 $<sup>{\</sup>rm ^{*}4}\,{\rm The}$  period of the calculations was from April to March.

# Improve work engagement and environment for people working in Group businesses

# FY2022 Targets/Results and FY2023 Targets

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

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Developm	ent of human resources			
	Provide educational opportunities that emphasize versatility and efficiency by focusing on students' "level of comprehension" and making proper use of both group and web-based formats  Number of employees that successfully pass technical certification (beginner): 1,514  Number of employees in charge of order placement to undergo training (selling price) (levels 4 & 5): 244  Number of power harassment prevention trainings: 140 times in 14 zones × (3 managers + 7 departments)	<ul> <li>Distinguished between group and web-based formats according to the details of the training and in some instances offered educational opportunities using a hybrid format that combines group and web-based formats</li> <li>Number of employees that successfully pass technical certification (beginner): 1,676</li> <li>Number of employees in charge of order placement to undergo training (selling price) (levels 4 &amp; 5): 340</li> <li>Number of power harassment prevention trainings: Implemented for only managers 131 times in 11 zones (for zones where training was not implemented, it was carried over and completed in FY2023)</li> </ul>	0 0	<ul> <li>In addition to rank-based required training, also provide educational opportunities where participants can choose the training they want</li> <li>Number of employees that successfully pass technical certification (beginner): 518</li> <li>Number of employees in charge of order placement to undergo training (selling price) (levels 4 &amp; 5): 156</li> <li>Number of communications trainings for managers: 140 times in 14 zones x (3 managers + 7 departments)</li> </ul>
Achieving	a work-life balance	·		
	Annual number of paid leave days taken (full-time employees): 10 days	• Annual number of paid leave days taken (full-time employees): 9.52 days	Δ	Annual number of paid leave days taken (full-time employees): 10 days
Assuring of	occupational safety and health			
	Number of workplace accidents per year: down 10% from the previous fiscal year	Number of workplace accidents per year: down 11.4% from the previous fiscal year (325 accidents) Reference: 367 accidents occurred in FY2021)	0	Number of workplace accidents per year: down 10% from the previous fiscal year
Effective u	use of diverse human resources			
	Achieve a percentage of female managers of 37%     *Figures are subject to change due to merger with former Life Foods	Percentage of female managers: 33.1% (37.9% on the section manager and team leader level)	×	Percentage of female managers: 33.5% (38.5% on the section manager and team leader level)

#### **Personnel Data**

Breakdown of number of (as of the end of Februar		(persons)
Full-time employees*1	3,139	
	Male	2,731
	Female	408
Part-time staff*2		10,435
	Male	1,471
	Female	8,964
Number of employees (full-time employees + par	13,574	
	Male	4,202
	Female	9,372
New graduate employees	hired	179
	Male	100
	Female	79
Mid-career employees hire	ed	0
	Male	0
	Female	0

		FY2020	FY2021	FY2022
Average length (full-time emplo		15 years 0 month	16 years 0 month	15 years 0 month
Number of full-t took childcare le (males, part-tim		205 (0, 177)	201 (1, 175)	170 (1, 152)
Number of full-t took nursing car (males, part-tim		6 (0, 6)	34 (2, 33)	37 (2, 35)
Number of volu	nteer leave recipients	NA	NA	NA
Number of fema (percentage)*4	ale managers	614 (24.9%)	617 (24.6%)	1,110 (33.7%)
	Team leader	390 (26.4%)	386 (25.9%)	867 (39.4%)
	Section manager	208 (31.1%)	209 (36.2%)	210 (35.7%)
	Division manager	16 (5.2%)	22 (5.1%)	33 (6.5%)
	Corporate officer*5	2 (6.9%)	2 (5.7%)	1 (4.0%)
Percentage of e disabilities*6	mployees with	3.12%	3.39%	3.11%
Percentage of paid leave taken by full-time employees		50.0%	46.2%	47.6%
Frequency rate	of workplace accidents	3.40	3.59	2.38
Severity rate of	workplace accidents	0.01	0.14	0.13

 $<sup>{\</sup>rm ^*1}\,{\rm The}$  figure includes 165 persons reemployed after mandatory retirement.

 $<sup>^{*}2</sup>$  Monthly average, with 8 hours/day counted as one employee. Including contractual employees.

<sup>\*3</sup> Persons who took such leave in the applicable fiscal year. (takers continuing leave from the previous year + new takers of leave)

<sup>\*4</sup> The percentage of team leaders or higher positions, excluding corporate officers.

 $<sup>^{*}5</sup>$  The percentage of female corporate officers is as of May 31 of the following fiscal year.

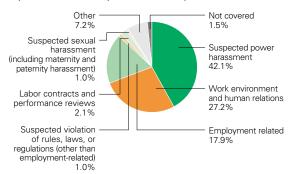
<sup>\*6</sup> The percentage for the fiscal year is as of June 1 of the following fiscal year.

# Data from Helpline for Employees

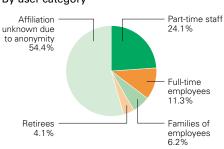
The service enables employees to receive counseling on workplace issues, request investigations into suspicion of harassment, fraud, etc. Employee suggestions are used to create a better workplace environment.

### Breakdown of reports by category for FY2022 Reports received: 195

(up 28.3% from the previous fiscal year)



#### By user category

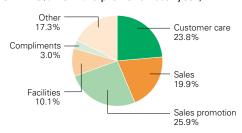


# Create an ethical society through dialogue and collaboration with customers

#### **Data from Customer Support**

As an initiative to listen to our customers' voice and respond to every one of them, we share examples of each store successfully meeting customers' needs with all our stores. Our Head Office and stores will work together to provide customers with a more timely response and incorporate as many customer suggestions as possible into our operations with an eye to making our stores enjoyable and reliable places to shop.

# Breakdown of inquiries by category for FY2022 Inquiries received: 3,536 (down 4.9% from the previous fiscal year)



# Achieve a sustainable society through partnerships

#### FY2022 Targets/Results and FY2023 Targets

 $\bigcirc$ : Achieved  $\triangle$ : Almost achieved  $\times$ : Far from achieved

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Community support				
	Continue blood donation activities	Number of Heartful Saturday blood donors: 344	0	Continue blood donation activities

#### Disaster assistance

#### FY2022 Targets/Results and FY2023 Targets

Challenges	FY2022Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Providing s	support for disasters			
	Consider cooperating with local governments who request the conclusion of disaster management agreements, etc.	Concluded a disaster prevention agreement with 5 new local governments	0	Consider cooperating with local governments who request the conclusion of disaster management agreements, etc.

# York Co., Ltd.

Website: https://www.york-inc.com/company/ (in Japanese) Number of stores as of fiscal year ended February 28, 2023: 103

# Create a livable society with local communities through various customer touchpoints

#### FY2022 Targets/Results and FY2023 Targets

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

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Providing services to a wide range of customers				
	Hold courses on training people to care for dementia patients for new employees and part-timers at new stores, making active use of online learning	Implemented in-person courses on training new employees and part-timers at new stores to care for dementia patients. Trained a total of 157 persons to care for dementia patients		Hold courses on training people to care for dementia patients for new employees and part-timers at new stores

# Provide safe, reliable, and healthier merchandise and services

Y2022 Targets/Results and FY2023 Targets hallenges FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
nsuring the quality and safety of products and services	1 12022 Hesuits and Outcomes	Lvaluation	1 12023 1819613
Share issues with sales business department and each product department and collaborate with them to imbed and manage HACCP Use HACCP spreadsheets to manage employee hygiene and cleaning operations, manage raw materials, and manage labeling. In addition, have Head Office quality control staff conduct quarterly patrols at all stores  Share issues with each sales department and implement responses	Through store patrols, confirmed establishment of HACCP, hygiene management, raw materials management, and labels management. Shared best practice examples and problem points with each department at Head Office. Store patrols were limited to two per store per half year owing to COVID-19 pandemicrelated restrictions on store visits  Shared issues with each sales department at weekly department meetings	0	Have Head Office quality control staff conduct semiannual patrols at all stores. Share the issues discovered with the sales business department and each product department, and work together plan to establish and operate the HACCP. Additionally, use HACCP spreadsheets to manage employee hygiene and cleaning operations, manage raw materials, and manage labeling     Conduct Head Office staff-led QC inspections that could not be carried out due to the COVID-19 pandemic, focusing of the same patrols.
Issue requests for investigative follow-up on the causes of accidents and proposed measures to prevent reoccurrence to partner manufacturers of products that have been subject to customer claims as a response to product-related accidents	Visited partner manufacturer plants with the MD in charge as necessary to confirm measures to prevent reoccurrences	0	confirming sell-by dates of processed foo • Issue requests for investigative follow-up on the causes of accidents and proposed measures to prevent reoccurrence to partner manufacturers of products that have been subject to customer claims as response to product-related accidents
faintaining more customer-friendly and reliable stores an	d facilities		
<ul> <li>Set up "Fureai Corner" with measures in place to prevent infections (2 new stores)</li> <li>Set up anti-slip ceramic tiles as store flooring material (2 new stores)</li> </ul>	Set up "Fureai Corner" with measures in place to prevent infections at new stores     Set up anti-slip ceramic tiles as store flooring material at new stores	0	Set up "Fureai Corner" with measures in place to prevent infections (2 new stores)     Set up anti-slip ceramic tiles as store flooring material (2 new stores)
roviding appropriate information			
Share outcomes of store audits with sales business department on a weekly basis and strive to institute improvements. Share information with personnel and quality control sections if there are any issues with quality and hygiene or labor management. Encourage stores to complete self-inspections to enhance baseline standards for store management.	Implemented semiannual store audits at all stores. Shared outcomes of store audits weekly with sales business department, and confirmed state of improvements	0	Carry out semiannual store audits. Share outcomes weekly with sales business department, and work to enhance baselin standards for store management
Send weekly HACCP-related information on hygiene management, freshness management, allergy labeling, etc. to stores		0	Send weekly HACCP-related information on hygiene management, freshness management, allergy labeling, etc. to stores. Send information by using photos and illustrations to summarize it on a compact single page of materials to enab prompt understanding of weekly themes
Prepare 12 themed video training tools and implement training in the first half of the year. Make improvements in the second half of the year by means of PDCA (Plan- Do-Check-Act)	Prepared 12 themed video training tools, and implemented training using those tools twice during the year	0	Modify a portion of themed video training tools and implement training. Work to deepen knowledge

# Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

# FY2022 Targets/Results and FY2023 Targets

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

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets		
Measuring	appropriately the environmental impact					
	Set up BEMS at all stores except Comfort Market	Set up BEMS at all stores except Comfort Market. Used BEMS to confirm abnormal values for electricity consumption, leading to numerical improvements for lighting, kitchens, etc.	0	Use BEMS to reduce electricity consumption by 98% compared to the previous fiscal year		
Improving	Improving energy efficiency and introducing renewable energy					
	Replace LED lighting: 12 stores     Install solar power generation facility: 4 stores     Monitor over-cooling using refrigeration control systems: 10 stores	Replaced LED lighting: 12 stores     Installed solar power generation facility: 4 stores     Monitored over-cooling using refrigeration control systems: 10 stores	0 0	Replace LED lighting: 20 stores     Install solar power generation facility: 4 stores     Monitor over-cooling using refrigeration control systems: 10 stores		
Reducing	waste and developing a circular economy					
	<ul> <li>Food waste recycling rate: 66.7% (companywide)</li> <li>Plastic bag turndown rate: 82.5%</li> <li>Plastic bag usage weight: 92%</li> </ul>	Food waste recycling rate: 68.3% (companywide) Plastic bag turndown rate: 81.6% Plastic bag usage weight: 98.5%	О × Δ	Food waste recycling rate: 68.5% (companywide) Plastic bag turndown rate: 82.5% Plastic bag usage weight: 98%		
Raising en	vironmental awareness among employees					
	• Number of employees who pass the Eco Test: 140	Number of employees who pass the Eco Test: 58	×	Number of employees who pass the Eco Test: 375		

#### **Environmental Data**

The first party					
	Unit	FY2020	FY2021	FY2022	
CO2 emissions*1*2*3	t-CO <sub>2</sub>	63,416	64,152	64,347	
CO <sub>2</sub> emissions from store operations (per store)*1*3	t-CO <sub>2</sub>	63,377 (615)	64,113 (629)	64,304 (618)	
Electricity consumption in store operations*1	GWh	136	142	138	
Water usage in store operations*1	1,000m³	577	588	586	
Plastic bag turndown rate at the food section	%	78.9	81.5	81.6	
Waste disposal (recycling rate)	t (%)	23,978 (72.1)	22,810 (66.8)	20,992 (72.1)	
Food waste recycling rate	%	59.2	66.7	68.3	

<sup>\*1</sup> The period of the calculations was from April to March.

# Achieve a society in which diverse people can actively participate

FY2022 Targets/Results and FY2023 Targets

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets		
Supporting	Supporting Career Education					
	Hold observation tours and interactive lessons for elementary and junior high school students making active use of remote learning with consideration to the status of infections with COVID-19	Used remote learning to hold observation tours and interactive lessons for elementary and junior high school students. Also held real-world observation tours		Proactively hold observation tours and interactive lessons for elementary and junior high school students		

<sup>\*2</sup> The data represents CO<sub>2</sub> emissions stemming from the use of energy for store and Head Office operations.

<sup>\*3</sup> CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

# Improve work engagement and environment for people working in Group businesses

# FY2022 Targets/Results and FY2023 Targets

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Developme	ent of human resources			
	Expand level-specific training using training system     Create a framework to nurture next generation leaders for supervisor-level employees     Create individualized training system for part-timers and part-time level employees	Used training system to expand level-specific training     Created videos of training materials for each level of supervisor-level employees, and supported the acquisition of the necessary skills for career advancement     Boosted training for assistant store managers as a means to nurture the next generation of leaders. Held classes and practical training semiannually, and built a system to facilitate targeting careers for store managers who are store executives	0	Expand and reconstruct level-specific training through company integration     Share what's good about each company by integrating training and bring in those elements that are wanting     Implement and enhance video-based measures     Make videos of video-based training systems and use for OJT
Achieving a	a work-life balance			
	<ul> <li>Average number of overtime hours down by 10% from the previous fiscal year, to cut down total work hours</li> </ul>	Worsened from 28.1 hours/month on average in FY2021 to 28.6 hours/month on average in FY2022. Burden on regular staff increased owing to a less-than 10% decline in person hours by part-timers and part-time workers	×	Target a 10% year-on-year reduction by simplifying operations and boosting the employment of part-timers and part-time workers
Assuring of	ccupational safety and health		•	
	Give notification of causes of and responses to workplace accidents and reduce workplace accidents requiring missed workdays	Reduced number of accidents from 207 in FY2021 to 171 in FY2022, but number of missed workdays rose from 992 to 1,353     Frequency rate 3.74 → 3.20     Severity rate 0.07 → 0.96	Δ	Seek to improve over the previous fiscal year
Effective us	se of diverse human resources			
	• Employees appointed as expert employees: 15	• Employees appointed as expert employees:	Δ	• Employees appointed as expert employees:
	<ul> <li>Employees appointed as full-time employees: 15</li> </ul>	• Employees appointed as full-time employees: 7	×	• Employees appointed as full-time employees: 7
	• Number of females appointed in management roles (division manager level): 4	Number of females appointed in management roles (division manager level): 5	0	Number of females appointed in management roles (division manager level): 5
	Percentage of female managers: 25.0%	Percentage of female managers: 18.8%	×	Percentage of female managers: 33.3%
l	childcare and elderlies	T	T .	
	Increase users of the child caring program "Re-challenge Plan" to reduce resignations	Number of resignations among users of the "Re-Challenge Plan" remained the same (2 in FY2021, 2 in FY2022)	$\triangle$	Increase users of the child caring program     "Re-challenge Plan" to reduce resignations
	Disseminate information about the "Re- challenge Plan" via the internal newsletter featuring the experience of program users	Raised awareness of the program through video training tools	Δ	Disseminate information about the "Re- challenge Plan" via the internal communication tool featuring the experience of program users
	Hold orientation for employees returning to work after childcare leave either in person or online	Held orientations online (September, February)	0	Hold orientation for employees returning to work after childcare leave either in person or online

#### **Personnel Data**

Breakdown of number of	of employees	
	as of the end of February 2023)	
-ull-time employees*1		1,681
	Male	1,256
	Female	425
Part-time staff*2		4,218
	Male	
Female		3,448
Number of employees (full-time employees + part-time staff)		5,899
	Male	2,026
	Female	3,873
New graduate employees	s hired	100
	Male	46
	Female	54
Mid-career employees hired		13
	Male	11
	Female	2

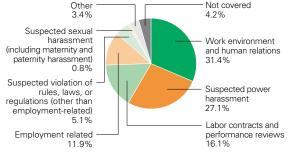
		FY2020	FY2021	FY2022
	-		<u> </u>	
Average length		15 years	15 years	14 years
(full-time employ	yees)	1 month	7 month	11 month
took childcare le	Number of full-time employees who took childcare leave		56 (0, 32)	53 (0, 23)
(males, part-time				
Number of full-time employees who took nursing care leave (males, part-time staff)*3		1 (1, 0)	(1, 2)	0
Number of volur	Number of volunteer leave recipients		0	0
Number of fema (percentage)*4	Number of female managers (percentage)*4		210 (17.4%)	220 (20.6%)
	Team leader	167 (24.6%)	150 (24.3%)	157 (25.0%)
	Section manager	50 (23.0%)	47 (18.0%)	50 (18.5%)
	Division manager	9 (6.2%)	13 (8.0%)	13 (7.8%)
	Corporate officer*5	2 (10.5%)	2 (9.5%)	1 (5.6%)
Percentage of employees with disabilities*6		2.04%	2.38%	2.53%
Percentage of paid leave taken by full-time employees		36.9%	43.6%	45.6%
Frequency rate of workplace accidents		4.11	3.74	3.20
Severity rate of	workplace accidents	0.10	0.07	0.10

<sup>\*1</sup> The figure includes 111 persons reemployed after mandatory retirement.

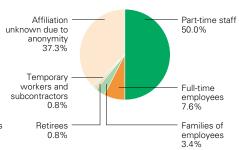
#### **Data from Helpline for Employees**

#### Breakdown of reports by category for FY2022 Reports received: 118

(down 11.3% from the previous fiscal year)



#### By user category



<sup>\*2</sup> Monthly average, with 8 hours/day counted as one employee. Including contractual employees.

<sup>\*3</sup> Persons who took such leave in the applicable fiscal year. (takers continuing leave from the previous year + new takers of leave)

<sup>\*4</sup> The percentage of team leaders or higher positions, excluding corporate officers.

<sup>\*5</sup> The percentage of female corporate officers is as of May 31 of the following fiscal year.

<sup>\*6</sup> The percentage for the fiscal year is as of June 1 of the following fiscal year.

# Create an ethical society through dialogue and collaboration with customers

#### FY2022 Targets/Results and FY2023 Targets

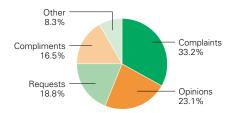
 $\bigcirc$ : Achieved  $\triangle$ : Almost achieved  $\times$ : Far from achieved

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Respondin	g sincerely to customers' opinions			
	Gather customer opinions weekly to share with both management and store employees in order to maintain a system that can promptly respond to requests and remedy any complaints     Conduct training on three occasions for store managers and assistant store managers in collaboration with all Group companies. Conduct training making active use of video training tools for store employees by managerial role	Shared customer opinions with management, and responded to requests involving the entire company as well as remedied complaints  In cooperation with Group companies, conducted training on three occasions over the year. In addition, implemented training using video training tools for managers in the store employee section	Δ	Gather customer opinions weekly to share with both management and store employees in order to maintain a system that can promptly respond to requests and remedy any complaints     Conduct training on three occasions for store managers, assistant store managers, and Head Office staff charged with handling customer complaints in collaboration with all Group companies. In addition, conduct training making active use of video tools for store employees in customer-relations roles

#### **Data from Customer Support**

A total of 7,606 inquiries were received in FY2022, down 5.8% from the previous fiscal year. Despite a decrease in inquiries related to COVID-19 countermeasure, there were 2,528 "complaints," many of which related to product quality, customer service, and checkout. We will also actively enhance our contact systems for fielding inquiries, given the increasing number of requests related to new services, such as app-based sales promotions and self-checkouts.

Breakdown of inquiries by category for FY2022 Inquiries received: 7,606 (down 5.7% from the previous fiscal year)



# Akachan Honpo Co., Ltd.

Website: https://www.akachan.jp/company/csr/ (in Japanese)
Number of stores as of fiscal year ended February 28, 2023: 124 (including 6 franchise stores)

# Provide safe, reliable, and healthier merchandise and services

#### FY2022 Targets/Results and FY2023 Targets

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

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets		
Ensuring th	ne quality and safety of products and services					
	<ul> <li>Total product return rate: Down at least 5% compared to the previous fiscal year</li> <li>Work to prevent product-related accidents by identifying their root causes and taking countermeasures</li> </ul>	Total product return rate: Down 11% compared to the previous fiscal year (295,662 in FY2021, 263,299 in FY2022)  Number of defective lots for private-brand products: Down 46% compared to the previous fiscal year (13 in FY2021, 7 in FY2022)	0	Total product return rate: Down at least 10% compared to the previous fiscal year  Work to prevent product-related accidents by identifying their root causes and taking countermeasures		
Maintainin	Maintaining more customer-friendly and reliable stores and facilities					
	Newly introduce equipment for anti-droplet measures at cash registers and service counters in all stores	Installed anti-droplet partitions at cash registers and service counters in all stores	0	Introduce maternity-friendly rest chairs in some stores		
Providing a	appropriate information					
	Conduct training for new buyers themed on the prevention of abuse of advantageous position, compliance with the Subcontract Act, and compliance with the Act against Unjustifiable Premiums and Misleading Representations	Held training for new buyers with Seven & i Group FT (fair trade) Project managers as instructors	Δ	Continue to share information related to fair trade and labeling in Product Division morning meetings (conduct on a weekly basis)		
	Implement briefings on precautions when conducting sales promotion measures at product sales promotions meetings	Started to share information related to fair trade and labeling in Product Division morning meetings (conducted on a weekly basis since January)		Expand sharing of labeling-related information to the Sales Promotion Department and Sales Department		
	• Issue internal newsletters 4 times during the year and share information appropriately	• Issued internal newsletters 4 times during the year		Issue internal newsletters 4 times during the year and share information appropriately		

# Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

# FY2022 Targets/Results and FY2023 Targets

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

1 12022 1	Y2022 largets/Results and FY2023 largets				
Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets	
Improving	energy efficiency and introducing renewable er	nergy	,		
	<ul> <li>Gas heat pump air conditioning facilities: Replace at 2 stores (reduction of approximately 20 tons of CO<sub>2</sub> annually)</li> <li>LED lighting: Replace at 10 stores (reduction of approximately 100 tons of CO<sub>2</sub> annually)</li> </ul>	Gas heat pump air conditioning facilities (partial upgrade): Replaced at 1 store Electric heat pump air conditioning facilities (partial upgrade): Replaced at 2 stores (Reduction of approximately 32 tons of CO <sub>2</sub> annually for gas and electric combined) LED lighting: Replaced at 9 stores (reduction of approximately 108.8 tons of CO <sub>2</sub> annually)	0	LED lighting: Replace at 16 stores (reduction of approximately 256 tons of CO <sub>2</sub> annually)	
Reducing v	waste and developing a circular economy				
	Plastic bag turndown rate: 85%	Plastic bag turndown rate: 83.2%	Δ	Plastic bag turndown rate: 85%	
Raising env	vironmental awareness among employees				
	Continue to raise employee environmental awareness using internal newsletters (issued 4 times annually)     Participate in group-linked projects and raise awareness among all employees through sharing information internally	Showcased sustainability initiatives in all internal newsletters (issued 4 times annually)     Started reduction activities at all stores with the aim of reducing plastics in store operations	0	Continue to raise employee environmental awareness using internal newsletters (issued 4 times annually)     Participate in group-linked projects and raise awareness among all employees through sharing information internally	

#### **Environmental Data**

	Unit	FY2020	FY2021	FY2022
CO <sub>2</sub> emissions*1*2*3	t-CO <sub>2</sub>	13,703	12,530	12,567
CO <sub>2</sub> emissions from store operations (per store)*1*3	t-CO <sub>2</sub>	13,529 (116)	12,360 (102)	12,420 (100)
Electricity consumption in store operations*1	GWh	27	25	24
Water usage in store operations*1	1,000m³	15	14	13.4
Plastic bag turndown rate	%	7.6 (to June 30) 85.7 (from July 1 to February 28)	83.3	83.2

<sup>\*1</sup> The period of the calculations was from April to March.

<sup>\*2</sup> The data represents CO<sub>2</sub> emissions stemming from the use of energy for store and Head Office operations.

<sup>\*3</sup> CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

# Achieve a society in which diverse people can actively participate

# FY2022 Targets/Results and FY2023 Targets

 $\bigcirc$ : Achieved  $\triangle$ : Almost achieved  $\times$ : Far from achieved

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Supporting	childcare and elderlies			
	<ul> <li>Aim to place dedicated maternity advisors at all stores. Increase certification from once a year (conduct in December) to twice a year (conduct in June and December) from FY2022, toward placement at all stores</li> </ul>	<ul> <li>Conducted certification twice in the year, June and December (9 employees received certification in June). As of the end of February 2022, there were maternity advisors placed in 101 of the 119 stores nation-wide (other than the 4 stores newly opened in FY2022)</li> </ul>		Promote understanding of the role and purpose of placing maternity advisors in stores to department managers and continue our aim of having maternity advisors placed in all stores

# Improve work engagement and environment for people working in Group businesses

FV2022	Targets/	Regulte	and F	V2023	Tarnets
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Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
evelopme	ent of human resources			
	Enable correspondence courses to be viewed via smartphone to make them available to be utilized by staff members during their spare time. Develop a system so that course registrations and participation can be done via the website rather than using booklets     Number of correspondence course registrations: 100 (up 16% compared to the previous fiscal year)	The number of prospective correspondence courses was 76 (85% of the previous fiscal). While the number of registrations decreased, the number of registrations from recipients of childcare leave who had not registered as of the previous fiscal year increased on account of now being able to apply via the website. This resulted in promoting their self-development during their leave from work  Adopted an external online English conversation course, and 20 employees applied	Δ	Place at least 1 employee in all stores that is qualified as either a vehicle advisor or footwear advisor (internal certification) (As of June 1, there are 24 stores without an advisor)  Launch the certification system for childcaproduct advisors during FY2023
nplement	ting fair assessment and treatment of employed	es		
	• Percentage of employees who take leave: 100%	• Percentage of employees who took leave: 100%	0	Percentage of employees who take leave: 100%
chieving a	a work-life balance			
	Monthly overtime per person: 6 hours	Monthly overtime per person: 7.6 hours Due to effects of COVID-19 infections, employees remained at home for extended periods (7 to 10 days) when they or a family member had been infected, and this caused shortages of the personnel needed for operations. While operational adjustments were made, the limited number of management personnel resulted in overtime	Δ	Monthly overtime per person: less than 7 hours
ffective u	se of diverse human resources			
	Stores without a part-time leader: 0     Percentage of female managers (section manager): 30%	Stores without a part-time leader: 7 (other than the stores newly opened in FY2022)     Percentage of female managers (section manager): 26.8%	Δ	Stores without a part-time leader: 0     Percentage of female managers (section manager): 30%
ssuring o	ccupational safety and health			
	Number of accidents at work: less than 30	Number of accidents at work: 28	0	Number of accidents at work: less than 30

#### **Personnel Data**

Breakdown of number of (as of the end of February		(persons)
Full-time employees*1		874
	Male	488
	Female	386
Part-time staff*2		310
	Male	6
	Female	304
Number of employees (full-time employees + part-time staff)		1,184
	Male	494
	Female	690
New graduate employees	s hired	33
	Male	11
	Female	22
Mid-career employees hi	red	8
	Male	2
	Female	6

		FY2020	FY2021	FY2022
Average length of service (full-time employees)		14 years 2 months	15 years 2 months	16 years 7 months
Number of full-time employee took childcare leave (males, part-time staff)*3	s who	124 (1, 80)	83 (0, 52)	79 (8, 49)
Number of full-time employee took nursing care leave (males, part-time staff)*3	s who	3 (0, 3)	(0, 0)	(0, 0)
Number of volunteer leave red	Number of volunteer leave recipients		NA	NA
Number of female managers (percentage)*4			194 (34.6%)	246 (41.0%)
Team leader		135 (51.3%)	128 (51.0%)	166 (59.5%)
Section mana	ger	59 (23.0%)	58 (22.9%)	72 (26.8%)
Division mana	ger	5 (17.2%)	8 (17.0%)	8 (15.4%)
Corporate offi	cer*5	2 (13.3%)	2 (11.8%)	2 (16.7%)
Percentage of employees with disabilities*6		2.79%	2.86%	2.66%
Percentage of paid leave taken by full-time employees		62.4%	69.9%	72.2%
Frequency rate of workplace accidents		0.86	1.46	0.42
Severity rate of workplace acc	idents	0.03	0.08	0.01

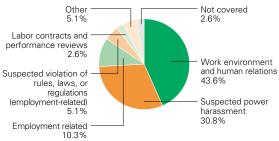
<sup>\*1</sup> The figure includes 26 persons reemployed after mandatory retirement.

# Data from Helpline for Employees

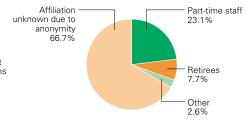
The total number of reports increased by four from the previous year. "Work environment, human relations" and "suspected power harassment" accounted for around 74% of all reports, with a particular increase in reports concerning "suspected power harassment." Moreover, most of these reports were cases requiring responses by stores. While there were no reports of serious misconduct, there were cases of high risk which involved repeated reports and required prolonged responses.

As part of our activities to raise awareness of the internal whistleblowing system, we have worked to thoroughly enforce the placement of posters distributed at Head Office and all stores. In addition, we are making efforts to appropriately manage and administer the systems relating to reports in accordance with the Whistleblower Protection Act and related rules and regulations.

#### Breakdown of reports by category for FY2022 Reports received: 39 (up 11.4% compared to the previous fiscal year)



#### By user category



<sup>\*2</sup> Monthly average, with 8 hours/day counted as one employee. Including contractual employees.

<sup>\*3</sup> Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

<sup>\*4</sup> The percentage of team leaders or higher positions, excluding corporate officers

<sup>\*5</sup> The percentage of female corporate officers is as of May 31 of the following fiscal year.

<sup>\*6</sup>The percentage for the fiscal year is as of June 1 of the following fiscal year.

# Create an ethical society through dialogue and collaboration with customers

#### FY2022 Targets/Results and FY2023 Targets

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

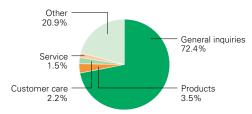
Challenges	FY2022Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Respondin	g sincerely to customers' opinions			
	Number of customer complaint: lower than the previous fiscal year's performance Collate customer feedback with a focus on (1) opinions received at customer support, (2) checking of social media, and (3) receipt questionnaires Share complaints/praise/opinions/inquiries, and other information internally, either immediately, or on a daily/weekly/monthly basis depending on their content Encourage staff to propose improvements and raise issues on current services and operations based on feedback from customers Post customer praise and thanks on internal information sharing system, rather than limiting sharing to the store in question or the person in charge, as a means to increase staff motivation internally	Number of customer complaints: 347 (down 43, or 11% from the previous fiscal year) The PPM value saw improvement at 22.3 (up 2.5 from the previous fiscal year). Conversely, there were fewer cases of customer praise and thanks at 59 (down 11, or 16% from the previous fiscal year)     Enhanced analysis of receipt questionnaires and the checking of social media in addition to direct feedback to customer support. The wide-ranging and speedy collection of customer feedback and internal sharing contributed to a significant improvement in the number of customer complaints     Proactively shared customer praise and thanks internally with internal tools. Gained new insights regarding customer service by focusing both on customer complaints as well as customer praise and thanks	0	Number of customer complaints: continue to target a lower number than the previous fiscal year's performance     Share complaints/praise/opinions/inquiries, and other information internally, either immediately, or on a daily/weekly/monthly basis depending on their content with a focus on (1) opinions received at customer support, (2) checking of social media, and (3) receipt questionnaires     Raise issues and propose improvements with staff on current services and operations based on feedback from customers     Continue to post customer praise and thanks on the internal information sharing system, rather than limiting sharing to the store in question or the person in charge, as a means to increase staff motivation internally

<sup>\*</sup>PPM (complaint rate) ... Number of complaints/number of customers visiting stores/calculated in parts per million

#### **Data from Customer Support**

Customer support operates 24 hours a day, seven days a week, and offers toll-free phone calls. We listen to customer requests, opinions, and inquiries alongside them and respond in a speedy and honest manner. Since many of our customers calling customer support are first-time users of this service, these customers have numerous problems, things that they do not know, and uncertainties. In order to alleviate such anxieties even a little in line with our slogan of "smile childcare," we strive to deliver kind customer care. Also, rather than following past business and customer response practices, we respond to customers and make proposals with an eye toward the future.

Breakdown of inquiries by category for FY2022 Inquiries received: 9,573 (down 18.5% from the previous fiscal year)



# Disaster assistance

#### FY2022 Targets/Results and FY2023 Targets

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Providing s	support for disasters			
	Provide necessary support in collaboration with the Group companies	Provided necessary support in collaboration with the Group companies	0	Provide necessary support in collaboration with the Group companies

# Seven & i Food Systems Co., Ltd.

Website: https://www.7andi-fs.co.jp/csr/ (in Japanese)
Number of stores as of fiscal year ended February 28, 2023: 497 (including 38 FC stores)

# Provide safe, reliable, and healthier merchandise and services

#### FY2022 Targets/Results and FY2023 Targets

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

Challenges	FY2022Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Ensuring tl	he quality and safety of products and services			
	Collaborate with QC (quality control) to hold factory audits. Make audits mandatory for new factories, and implement audits for the top 12 companies by transaction amounts	10 new factories Top companies by transaction amounts Exempted: 6 factories Difficult-to-visit overseas factories: 3 factories Domestic locations surveyed: 2 factories	0	Collaborate with QC to hold factory audits. Make audits mandatory for new factories, and implement audits for the top companies by transaction amounts (Excluding exempted locations)
	Store complaints: 80% compared to the previous fiscal year	Store complaints: 2,677     (1,568 in FY2021, 170.1% compared to the previous fiscal year)	×	Store complaints: 90% compared to the previous fiscal year
	Number of compliments: 110% compared to the previous fiscal year	Number of compliments: 857 (788 in FY2021, 108.7% compared to the previous fiscal year)	Δ	Number of compliments: 110% compared to the previous fiscal year
Providing a	appropriate information			
	For displays of products with limits on quantity such as limited-quantity products, seasonal products, and the like, provide appropriate displays that conform with Consumer Affairs Agency operating standards	In cases where there are limits on quantity such as with ingredients for seasonal products, recorded the minimum one-day amount on the menu. Same applied to period-specific restriction notations	0	In cases where there are limits on quantity such as with ingredients for seasonal products, record the minimum one-day amount on the menu. Period-specific restriction notations will also continue, and customer misunderstandings resolved

# Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

#### FY2022 Targets/Results and FY2023 Targets

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

Challenges	FY2022Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets			
Improving	Improving energy efficiency and introducing renewable energy						
	Expand installation of stores with demand control systems: 29 stores	<ul> <li>Installation of planned 29 stores completed by February 2023. Electricity costs for FY2023 expected to be reduced by 29.5 million yen by operating systems at full throughout the year</li> </ul>	0	Study expanding installation of demand control systems to new and renovated stores			
Reducing	waste and developing a circular economy						
	Acquire food recycling loop certification by the end of the fiscal year     Create a new food recycling scheme using compost     Food waste recycling rate: 57.0%	Received certification of specialized food recycling loop for coffee grounds     Selected composting recycler, negotiated with farms, procured products, and discussed adding to the menu     Food waste recycling rate: 59.9% (Volume recycled increased thanks to promoting sorting)	О Д	Build food waste recovery scheme in concert with logistics     Develop a recycling-based menu. File a recycling business plan with the authorities during the fiscal year     Food waste recycling rate: 60.0%			
Raising en	vironmental awareness among employees						
	Recommend taking the Eco Test     Recommend to those employees who have not passed the Eco Test that they plan to take the IBT-format test     For the 20 to 25 employees who take each test (40 to 50 annually), prepare a program that combines internal study groups with mock examinations, with full-company support	1st time: Test taken on August 8 with 22 entrants (6 passed)     2nd time: Test taken on November 28 with 10 entrants (3 passed)     Study groups and mock examinations held each time     Since the second test was restricted to entrants who did not pass the first one, number of test-takers did not reach guota	Δ	Continue to recommend taking the Eco Test     Recommend to those employees who have not passed the Eco Test that they plan to take the IBT-format test     Get 20 employees (40 annually) to take each test (twice annually), prepare a program that combines internal study groups with mock examinations, and offer full-company support			

#### **Environmental Data**

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	Unit	FY2020	FY2021	FY2022
CO2 emissions*1*2*3	t-CO <sub>2</sub>	51,533	39,994	37,642
CO <sub>2</sub> emissions from store operations*1*3	t-CO <sub>2</sub>	49,516	38,361	37,543
CO <sub>2</sub> emissions from delivery vehicles*1*3*4	t-CO <sub>2</sub>	1,906	1,535	0
Electricity consumption in store operations*1	GWh	96	78	76
Water usage in store operations*1*4	1,000m³	1,146	1,135	811.821
Waste disposal (recycling rate)	t (%)	7,454 (24.6)	7,379	7,207 (34.2)
Food waste recycling rate	%	50.8	56.4	59.9

<sup>\*1</sup> The period of the calculations was from April to March.

<sup>\*2</sup> The data represents CO<sub>2</sub> emissions stemming from the use of energy for store operations (Seven & i Food Systems) and by delivery trucks.

<sup>\*3</sup> CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

<sup>\*4</sup> The values are for Denny's only.

# Achieve a society in which diverse people can actively participate

# **FY2022 Targets/Results and FY2023 Targets**

 $\bigcirc$ : Achieved  $\triangle$ : Almost achieved  $\times$ : Far from achieved

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Supporting	childcare and elderlies			
	Aim to resume in-person workplace experiences and food education classes once the status of COVID-19 infections settles down in Japan. However, in the current circumstances, work on prioritizing measures to prevent the spread of infections	Held online food education classes for children. Prepared to resume workplace experiences, etc. in FY2023	0	Aim to provide in-person safe and secure food education classes and workplace experiences

# Improve work engagement and environment for people working in Group businesses

FY2022 Targets/Results and FY2023 Targets	○: Achieved △: Almost achieved ×: Far from

FY2022 Targets/Results and FY2023 Targets			eved $\triangle$ : Almost achieved $ imes$ : Far from achieved
Challenges FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Development of human resources	_		
• 7FS Values Day: Hold 24 times (644 people	people)	0	• 7FS Values Day: Hold 50 times (1,250 people)
16 times (As need per appointment)	Management training on appointment: Held 9 times (108 people)	Δ	Management training on appointment: Hold 15 times (As need per appointment)
• Executive leadership training: Hold 5 times (for 218 people total)	• Executive leadership training: Held 5 times (for 139 people total)	0	
<ul> <li>DM leadership training (two-day): Hold 4 times (for 95 people total)</li> <li>DM hospitality training: Hold once (41</li> </ul>	DM leadership training (Name: Boot Camp):     Held 4 times (40 people)     DM hospitality training: Held once (38)	0	<ul> <li>DM training program (facilitation): Hold 24 times in total (12 people)</li> <li>Training to improve DM customer service</li> </ul>
people)	people)		capabilities: Hold once (35 people)
Young employee training     Employees in their second year of     employment: Hold 10 times (for 130     people total)	Young employee training     Employees in their second year of employment: Held 9 times (for 110 people total)	0	Young employee training     Employees in their third year of     employment: Hold 9 times (for 99 people     total)
Employees in their third year of employment: Hold 10 times (for 120 people total)	Employees in their third year of employment: Held 9 times (for 92 people total)	0	Codi
Store manager skills development training Hold 31 times (376 people)	:	×	
mplementing fair assessment and treatment of employ	9es		
Complete revision of personnel systems, encompassing revisions of evaluation systems; grading systems within duties and responsibilities; and promotion and demotion standards	Completed revision of personnel systems, encompassing revisions of evaluation systems, and promotion and demotion standards. Digitized process evaluations, and strengthened information sharing with higher-ups and data-based quantitative analyses. Also worked to make it possible to record individuals' career aspirations when doing the evaluations, and confirm	Δ	Since summarization and analyticity of evaluation data was improved thanks to digitization of process evaluations, and since it has also become possible to confirm an individual's wishes, utilize the data to promote personnel assignments that will be advantageous to both the individual and the company
	individuals' wishes		
chieving a work-life balance		Г	
Average monthly overtime     Full-time employees: 12h or less	Average monthly overtime     Full-time employees: 16.9h	×	Average monthly overtime     Full-time employees: 15h or less
· Contract employees: 11h or less	· Contract employees: 14.8h	×	Contract employees: 13h or less
· Part-time employees: 1.2h or less	· Part-time employees: 1.0h	ô	Part-time employees: 1.2h or less
Monthly rate of leave-taking: 98% or more	Monthly rate of leave-taking: 97.6%	$\triangle$	Monthly rate of leave-taking: 98% or more
iffective use of diverse human resources			
Percentage of seniors employed: 8% or	Percentage of seniors employed: 889	0	Percentage of seniors employed: 9.0% or
more  Number of foreign employees: 140	people (8.9% of total)  • Number of foreign employees: 144	0	more  Number of foreign employees: 150
Percentage of female managers:	Percentage of female managers:		Percentage of female managers:
Section manager or higher position: 11% Team leader or higher position: 22%	Section managers (DM, GM): 7.9% Team leaders (BM, store managers, S staff): 27.2%	0	Section managers 5 → 8, 13.6% Team leaders: 135 → 149, 29.6%
Assuring occupational safety and health			
Number of occupational accidents at work:     200	Number of occupational accidents at work:     200	0	Perform risk assessments of those stores where serious accidents resulting workplace absences have occurred many times     Number of occupational accidents: 180
Participation rate in regular health checks by employees: 100%	employees: 99.2%	Δ	Participation rate in regular health checks by employees: 100%
Participation rate in secondary health	Participation rate in secondary health	0	Participation rate in secondary health
checks by employees: 80% • Participation rate in health checks by employees who work the late-night shift:	checks by employees: 83%  Participation rate in health checks by employees who work the late-night shift:	0	checks by employees: 85% • Participation rate in health checks by employees who work the late-night shift:
100%	100%		100%
Stress check-up rate: 99%	Stress check-up rate: 97.9%	Δ	Stress check-up rate: 95%

#### **Personnel Data**

Breakdown of number o (as of the end of Februar		(persons)
Full-time employees*1		825
	Male	675
	Female	150
Part-time staff*2		3,752
	Male	904
	Female	2,848
Number of employees (full-time employees + par	4,577	
	Male	1,579
	Female	2,998
New graduate employees	hired	0
	Male	0
	Female	0
Mid-career employees hire	ed	7
	Male	5
	Female	2

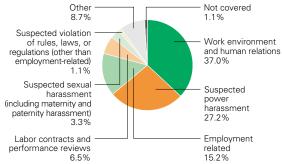
	FY2020	FY2021	FY2022
Average length of service (full-time employees)	16 years 6 months	16 years 2 months	17 years 5 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	53 (1, 40)	46 (2, 34)	33 (10, 14)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	(0, 0)	(0, 0)	3 (0, 1)
Number of volunteer leave recipients	0	0	1
Number of female managers (percentage)*4	199 (24.4%)	168 (24.5%)	151 (23.6%)
Team leader	192 (26.0%)	162 (26.6%)	144 (25.6%)
Section manager	6 (9.4%)	4 (6.6%)	5 (7.9%)
Division manager	1 (6.3%)	2 (11.1%)	8 (12.5%)
Corporate officer*5	4 (26.7%)	4 (26.7%)	2 (15.4%)
Percentage of employees with disabilities*6	2.82%	2.86%	3.02%
Percentage of paid leave taken by full-time employees	73.3%	59.5%	60.2%
Frequency rate of workplace accidents	0.65	1.44	0.50
Severity rate of workplace accidents	0.03	0.06	0.01

<sup>\*1</sup> The figure includes 45 persons reemployed after mandatory retirement.

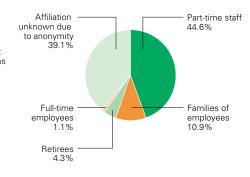
# **Data from Helpline for Employees**

Breakdown of reports by category for FY2022 Reports received: 92





#### By user category



# Create an ethical society through dialogue and collaboration with customers

### FY2022 Targets/Results and FY2023 Targets

Challenges	FY2022Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Responding sincerely to customers' opinions				
	Continue sharing customer feedback collected on a weekly basis; all executive to participate in making improvements	Checked situations where some executives from each Head Office-related department were not sharing customer feedback within their department and corrected it	×	Continue sharing customer feedback collected on a weekly basis; all executive and Head Office employees to participate in making improvements

<sup>\*2</sup> Monthly average, with 8 hours/day counted as one employee. Including contractual employees.

<sup>\*3</sup> Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

<sup>\*4</sup> The percentage of team leaders or higher positions, excluding corporate officers.

<sup>\*5</sup> The percentage of female corporate officers is as of May 31 of the following fiscal year.

<sup>\*6</sup> The percentage for the fiscal year is as of June 1 of the following fiscal year.

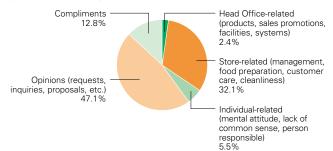
#### **Data from Customer Support**

The number of complaints in FY2022 increased by approximately 14%, and the number of reports showed a similar year-on-year increase. As in FY2021, the most common complaints were, with regard to food preparation, that the wrong food was served and preparation took too long and, with regard to customer contact, that there was a lack of concern for the customer and attitudes toward customers were poor.

- Complaints: 2,406 cases in FY2021 to 2,749 cases in FY2022 (an increase of 343 cases, or 14.3 % from the previous fiscal year)
- Compliments: 933 cases in FY2021 to 880 cases in FY2022 (a decrease of 53 cases or 5.7% from the previous fiscal year)

In FY2023, we will take measures to reduce the number of store-related complaints by addressing items with the worst records relating to food preparation and customer contact.

# Customer support inquiries by topic for FY2022 Inquiries received: 6,862 (up 13.9% from the previous fiscal year)



#### Achieve a sustainable society through partnerships

#### FY2022 Targets/Results and FY2023 Targets

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

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets		
Promoting	Promoting regional development					
	Promote transition from use of imported foodstuff ingredients to domestically-produced ingredients     Continue cooperation with municipalities on	No track record of any transitions. Looking toward FY2023, completed preparations to domestically produce ingredients for vanilla ice cream     Concluded agreements on childcare support		Promote transition from use of imported foodstuff ingredients to domestically-produced ingredients      Provide childcare support services that		
	childcare support and reducing food loss	with all municipalities in which Denny's will open stores. Continued cooperation on reducing food loss		municipalities in regions with stores are implementing		
	Expand and increase support for foodbanks to which foodstuffs are donated	Donated some foodstuffs no longer being used due to menu changes		Continue foodstuff donation activities		

# Disaster assistance

#### FY2022 Targets/Results and FY2023 Targets

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets		
Providing s	Providing support for disasters					
	Continue to respond positively to requests from local governments to take in people who have difficulty returning to their homes following a disaster	Continued to respond positively to requests from local governments to take in people who have difficulty returning to their homes following a disaster		Continue to respond positively to requests from local governments to take in people who have difficulty returning to their homes following a disaster		

# Seven Bank, Ltd.

Website: https://www.sevenbank.co.jp/english/csr/ Number of ATMs installed as of fiscal year ended March 31, 2023: 26,913

# Create a livable society with local communities through various customer touchpoints

#### FY2022 Targets/Results and FY2023 Targets

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

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Implemen	ting crime prevention measures for local comm	unities		
	Gather and disseminate information on the latest crime trends concerning increasingly sophisticated and complex financial crimes and make further advances in financial crime countermeasures to provide safe and secure payment environments to customers     Immediately provide images from security cameras installed at ATMs and other locations to investigative agencies in order to contribute to the minimization of crime     Use outside knowledge by allowing participation of police personnel in training and reinforce cooperation with investigative agencies and business partners to eradicate financial crime	Thanks to prompt and accurate responses to increasingly-sophisticated phishing incidents, there were no monetary losses involving Seven Bank accounts  Immediately provided images from security cameras installed at ATMs and other locations to investigative agencies in order to respond quickly to crime and contribute to the minimization of harms from crime  Allowed participation by police personnel in training and took financial crime countermeasures that employe the unique perspective of the police. Contributed to prevention of expanding harm from financial crimes not only for Seven Bank accounts, but also for Seven & i Group distribution companies	0	Consolidate and analyze information and knowledge from industry, academia, and government and provide safe and secure payment environments to customers to reinforce countermeasures against increasingly sophisticated and complex financial crimes  Strengthen our anti-money laundering (AML) and combating the financing of terrorism (CFT) stance by leveraging the tangible and intangible financial crime assets of the Seven Bank Group  Expand participation by police personnel as well as financial crime trainees from affiliated partner financial institutions. Contribute to holistic reinforcement of financial crime countermeasures in the financial industry
Maintain n	more customer-friendly and reliable stores and fa	acilities		
	Provide financial services to meet diverse needs	<ul> <li>Launched a My Number portal information connection service using My Number Cards at ATMs</li> </ul>	0	Provide financial services to meet diverse needs

# Provide safe, reliable, and healthier merchandise and services

# FY2022 Targets/Results and FY2023 Targets

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets			
Ensuring tl	Ensuring the quality and safety of products and services						
	Review BCP using business impact analysis (BIA) and establish policies: essential business operations, backup systems (infrastructure, personnel development, etc.), business continuity policies	Reviewed BCP using BIA and added 10 tasks to essential tasks	0	In response to the review of BCP, revise business continuity policies and rules and business continuity plans			
	Number of BCP training sessions planned:     19	<ul> <li>Conducted 17 trainings excluding plan changes</li> </ul>	$\triangle$	Number of BCP training sessions planned:     19			

# Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts

#### FY2022 Targets/Results and FY2023 Targets

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

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Measuring	g appropriately the environmental impact			
	Continuously ascertain results for environmental values and enhance disclosures in accordance with the TCFD recommendations	Scope 1 & 2 CO <sub>2</sub> emissions: 663 t-CO <sub>2</sub> Identified risks and opportunities in transition risks and physical risks and performed scenario analysis	0	Continuously ascertain results for environmental values and enhance disclosures in accordance with the TCFD recommendations
Improving	energy efficiency and introducing renewable en	nergy		
	Switch office lighting to LEDs     Promote paperless operations	Completed transition to LED lighting in the head office on September 5, 2022     Electricity consumption in Marunouchi: down 4% from the previous fiscal year     Number of pages output by multifunction printers: down 13.1% from the previous fiscal year	0	Promote transition to LED lighting at each site (completed at Kinshicho in FY2018)  Promote paperless operations
Reducing	waste and developing a circular economy			
	Recycle 100% of discarded ATMs      Promote the 3Rs (reduce, reuse, recycle), including in offices	Achieved approximately a 100% recycling rate on an ATM parts basis by promoting reuse of steel, stainless steel, plastic, etc. as recycled resources     Recycled some unneeded office furniture and books	0	Maintain ATM recycling rate of approximately 100%  Promote the 3Rs (reduce, reuse, recycle), including in offices
Raising en	vironmental awareness among employees		<b>'</b>	
	Hold seminars to increase awareness of social and environmental issues and encouraged measures to work-site solve problems	Approximately 30 management-level employees participated in on-site observation of ATM recycling     Conducted seminars on biodiversity with approximately 50 persons participating     30 persons participated in environmental protection activities at Takao Forest	0	Hold seminars to increase awareness of social and environmental issues and encourage measures to work-site solve problems
Offering ed	co-friendly products			
	Promote replacement installations of energy-saving 4th-generation ATMs	Replaced 13,274 ATMs with 4th-generation models	0	Promote replacement installations of 4th- generation ATMs, which use 40% less power than the previous generation

#### **Environmental Data**

	Unit	FY2020	FY2021	FY2022
CO <sub>2</sub> emissions*1*2*3*4	t-CO2	638	596	663
Volume of paper ordered for office automation equipment	1,000 sheets	2,410	2,351	1,920

<sup>\*1</sup> The period of the calculations was from April to March.

# Achieve a society in which diverse people can actively participate

#### FY2022 Targets/Results and FY2023 Targets

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets			
Supporting	upporting childcare and elderlies						
	Continue to support raising next-generation children primarily through cooperation with the "Bonolon, Warrior of the Forest" picture book for reading aloud	Approximately 4 million copies of the "Bonolon, Warrior of the Forest" picture book for reading aloud were distributed for free     Seven Bank donated 100 yen for each Bonolon cash card issued and donated Bonolon hardcover picture books to children's centers nationwide     Held the Bonolon Story Session at the Sogo Omiya store		Continue to support raising next-generation children primarily through cooperation with the "Bonolon, Warrior of the Forest" picture book for reading aloud			

<sup>\*2</sup>The data represents CO2 emissions stemming from the use of energy for operation of offices, directly-operated ATM corners, and data centers (including manned branches until FY 2020).

<sup>\*3</sup> CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

<sup>\*4</sup> Since FY2022, CO2 emissions from the use of steam, cold water, and hot water are included.

# Achieve a society in which diverse people can actively participate

# FY2022 Targets/Results and FY2023 Targets

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023 Targets
Effective u	use of diverse human resources			
	Promote diversity and its inclusion  Promote the development of an environment and reforming awareness to enable all employees to perform to their full potential, regardless of nationality or gender  Use ICT tools to activate inner communication  Improve engagement Conduct periodic surveys Implement measures to improve workplace environments	Recruited diverse and appealing human resources Provided sites for employees to perform to their full potential regardless of nationality or gender  Actively used online communication tools Conducted Seven & i Group engagement surveys (once annually) and internal surveys (once every 3 months). In addition, implemented various exchange measures 10 times and introduced tools to convey praise and gratitude among employees in order to invigorate companywide communication	0	Promote diversity and its inclusion  Promote the development of an environment and reforming awareness to enable all employees to perform to their full potential, regardless of nationality or gender  Use ICT tools to activate inner communication  Improve engagement Conduct periodic surveys Implement measures to improve workplace environments Reinforce awareness building
Developm	nent of human resources			
	Develop human resources who can support secondary growth     Provide training opportunities to enhance interpersonal skills and develop human resources with human appeal     Reinforce training in different job types that leads to higher quality relationships among employees     Conduct training to enhance communications skills     Develop opportunities for employees to acquire the skills to perform multiple jobs	Developed human resources who can support secondary growth     Conducted training on learning about one's own strengths for recently-promoted employees and recently-appointed managers     Conducted training by employee rank for a total of 400 employees with an emphasis on in-person training to reinforce lateral ties that weakened during the COVID-19 pandemic     Conducted training camps to learn the importance of teamwork through experience-based training with members from different departments and job types     Conducted in-house internships in specific departments as a part of career development support	0	Develop human resources who can support secondary growth     Provide training opportunities to enhance interpersonal skills and develop human resources with human appeal     Reinforce training in different job types that leads to higher quality relationships among employees     Conduct training to enhance communications skills     Conduct IT & DX training to develop DX human resources
Achieving	a work-life balance			
	Encourage proactive use of the system to support a good balance between work and childcare/ nursing care     Encourage active use of the work-from- home system and staggered working hours	Conducted nursing care seminars and raised internal awareness     Continued systems for all employees	0	Investigate expansion of systems that enable employees to perform nursing care while working     Continue the work-from-home system and staggered working hours
Assuring of	occupational safety and health			I
	Improve rate of paid leave taken (encourage employees to take 5 consecutive days of leave)     Enhance employee support provided by public health nurses     Conduct stress check ups	Notified supervisors about employees who have not taken leave and encouraged the employees to take leave     Operated a health consultation room     Implemented at the end of July	0	Improve rate of paid leave taken (encourage employees to take 5 consecutive days of leave)     Enhance employee support provided by public health nurses     Conduct stress check ups

#### **Personnel Data**

0.00		
Breakdown of number of (as of the end of February)	(persons)	
ull-time employees*1		581
	Male	382
	Female	199
Contractual/part-time employees*2		73
	Male	15
	Female	58
Number of employees (full-time employees + contractual/part-time employees)		654
	Male	397
	Female	257
New graduate employees hired		17
	Male	9
	Female	8
Mid-career employees hired		62
	Male	48
	Female	14

		FY2020	FY2021	FY2022
Average length of service (full-time employees)*3		8 years 2 months	8 years 2 months	7 years 9 months
Number of full-time employees who took childcare leave (males, contractual/ part-time employees)*3		19 (5, 4)	15 (2, 5)	24 (6, 2)
Number of full-time employees who took nursing care leave (males, contractual/part-time employees)		(O, O)	(0, 0)	1 (0, 1)
Number of vol	Number of volunteer leave recipients		0	0
Number of female managers (percentage)*4		65 (25.2%)	78 (27.2%)	83 (26.9%)
	Team leader	41 (38.7%)	53 (43.4%)	53 (36.6%)
	Section manager	24 (18.2%)	24 (16.8%)	27 (18.4%)
	Division manager	0 (0.0%)	1 (7.1%)	3 (18.8%)
	Corporate officer*5	3 (13.0%)	3 (13.6%)	2 (10.5%)
Percentage of employees with disabilities*6		2.06%	2.67%	2.30%
Percentage of paid leave taken by full-time employees		69.9%	81.1%	83.6%
Frequency rate of workplace accidents		0.00	0.00	0.77
Severity rate of workplace accidents		0.00	0.00	0.01
Number of reports from employees' Helpline		4	6	7

<sup>\*1</sup> The figure includes 33 persons reemployed after mandatory retirement.

#### Create an ethical society through dialogue and collaboration with customers

#### FY2022 Targets/Results and FY2023 Targets

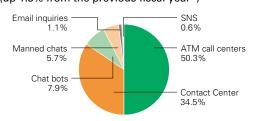
 $\bigcirc$ : Achieved  $\triangle$ : Almost achieved  $\times$ : Far from achieved

Challenges	FY2022 Targets and Plans	FY2022 Results and Outcomes	Evaluation	FY2023Targets			
Respondin	Responding sincerely to customers' opinions						
	Continue initiatives to improve customer satisfaction     Rebuild individual guidance for each channel such as chat and email into guidance based on what customers want to know		0	Continue initiatives to improve customer satisfaction     Expand the scope of responses by customer support channels and raise response completion rates on each channel			

#### **Data from Customer Support**

In order to take the opinions and requests it receives from customers sincerely, the Seven Bank contact center is able to respond to inquiries in 10 languages, and we strive to improve, expand, and develop services even further. We are also developing channels other the phone such as chat, email, and social media and are taking measures so that we can respond to even more customers.

# Breakdown of inquiries by category for FY2022 Inquiries received: 1,046,103 (up 1.3% from the previous fiscal year\*)



<sup>\*</sup> From FY2019, the number of inquiries includes inquiries via chatbots and manned chats.

<sup>\*2</sup> Monthly average, with 8 hours/day counted as one employee.

<sup>\*3</sup> Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

<sup>\*4</sup> The percentage of team leaders or higher positions, excluding corporate officers.

<sup>\*5</sup> The percentage of female corporate officers is as of May 31 of the following fiscal year.

<sup>\*6</sup> The percentage for the fiscal year is as of June 1 of the following fiscal year.