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.

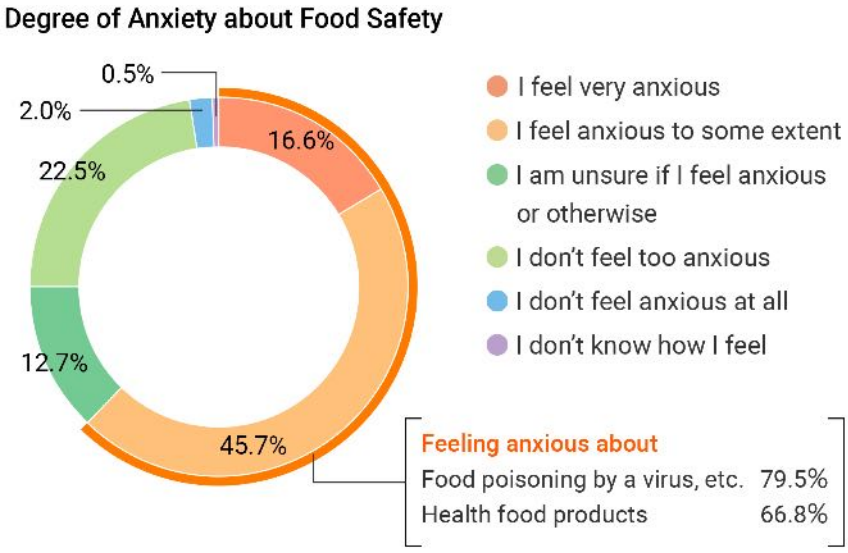
- Relevant policy

  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 more than 60% of people feel uneasy about food safety, and there is a need to further strengthen their quality control systems for companies.

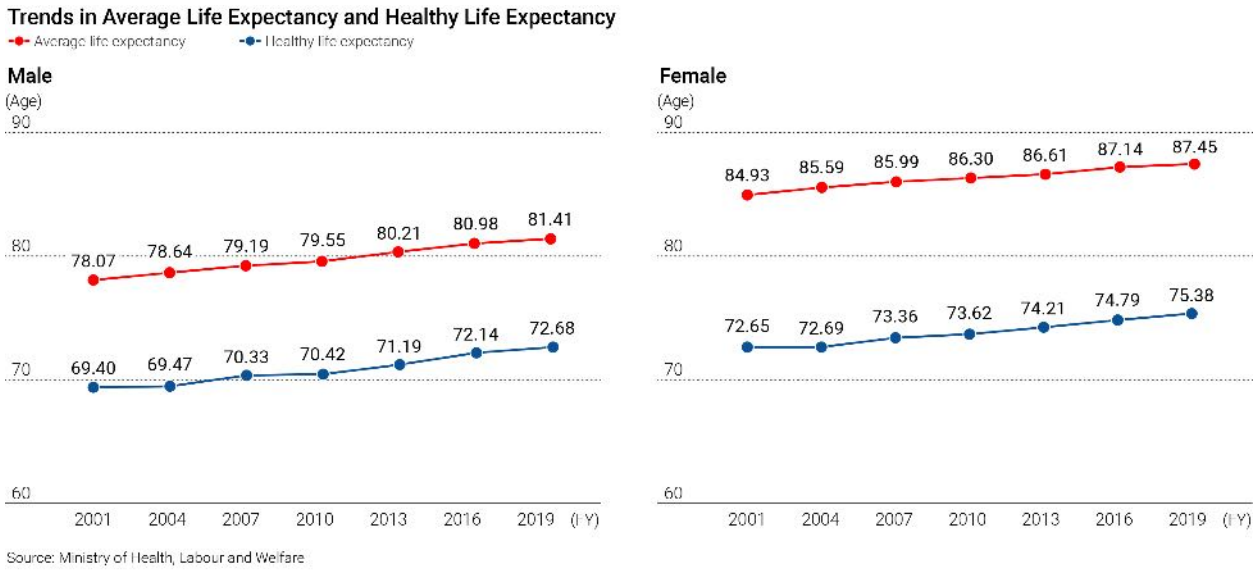


Source: Results of the 2022 report entitled "Awareness About Food Safety" (Cabinet Office, Government of Japan)

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.

* Source: 2023 Edition of the Health, Labour and Welfare White Paper



In response to this material issue, the CSR Management Committee and its subordinate Supply Chain Subcommittee, work together with the Group companies and related departments to provide safety and reliability through products and stores. These activities are supervised by the Executive Officer and head of the Group Merchandise Strategy & Planning Division of Seven & i Holdings.

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 >

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, 10 Group companies that handle food products, and 6 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

The Seven & i Group conducts regular employee training on quality control for product development and procurement staff, as well as sales floor staff, to prevent product accidents. In the fiscal year ended February 29, 2024, with the goal of nurturing future leaders in quality control, we are developing an educational curriculum utilizing external organizations and instructors. This curriculum aims to provide basic knowledge training and a wide range of quality control skills.

Results of training held by Seven & i Holdings in the fiscal year ended February 29, 2024

Training details	Participants	Target
HACCP 3-day training	22	Those handling procurement of food, those in charge of quality control
Supplier auditor training	24	Those handling procurement of food, those in charge of quality control
Beginner level Food poisoning (1)	71	Those handling procurement of food, those in charge of quality control
Beginner level Food poisoning (2)	60	Those handling procurement of food, those in charge of quality control
Food labeling (1)	27	Those handling procurement of food, those in charge of quality control
Food labeling (2)	26	Those handling procurement of food, those in charge of quality control
Food labeling (3)	24	Those handling procurement of food, those in charge of quality control
Food labeling (4)	26	Those handling procurement of food, those in charge of quality control
Beginner level Allergies	12	Those handling procurement of food, those in charge of quality control
Food incidents	9	Those handling procurement of food, those in charge of quality control
(1) Regulations for apparatus and containers and packaging (2) Regulations on Internet advertising (3) Quality labeling of products made from recycled fiber	99	Those handling procurement of apparel and household goods, those in charge of quality control
(1) Criteria for inspecting garment factories (2) Criteria for inspecting sewn products (3) Labeling of the country of origin and Household Goods Quality Labeling Act for bags, shoes, and umbrellas	105	Those handling procurement of apparel and household goods, those in charge of quality control
(1) Basic knowledge of daily necessities made of plastic (2) Basic knowledge of materials used for tableware (3) Criteria for inspecting the cause of textile products	108	Those handling procurement of apparel and household goods, those in charge of quality control

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

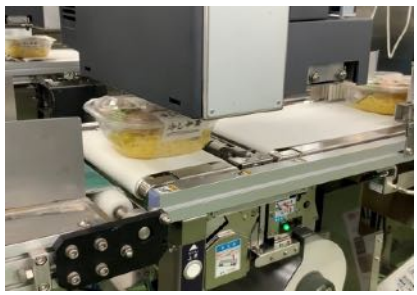
Obtaining Certification of Food Safety Management Standards that Conform to International Standards

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 February 2023: 172)
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 2024, 100% 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.

Number of GAP Certification Holders

End of February 2022	End of February 2023	End of February 2024
226	307	359

› 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.

DNV·GL

MANAGEMENT SYSTEM CERTIFICATE

York Benimaru Co., Ltd. Otsuki store

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.

*1 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

Food Safety and Reliability

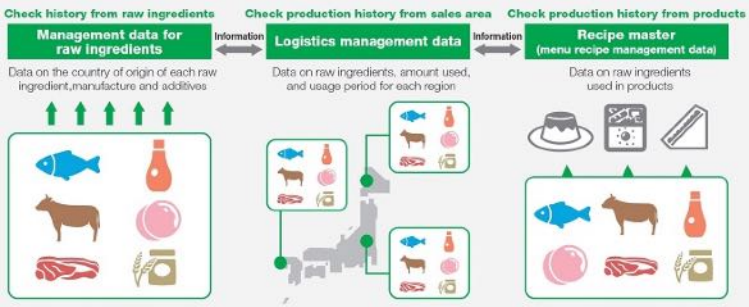
Seven & i Group is working on a variety of measures to emphasize safety and reliability at all stages from raw materials procurement through to sales.

Centralized Management of Production Records

Seven-Eleven Japan manages various daily food product items, which includes rice and delicatessen items. To accurately identify which factories produce them and what materials are used in which areas, Seven-Eleven Japan manages information from all its factories that make daily items by 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. It also checks for the presence of allergic substances and additives in its 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.

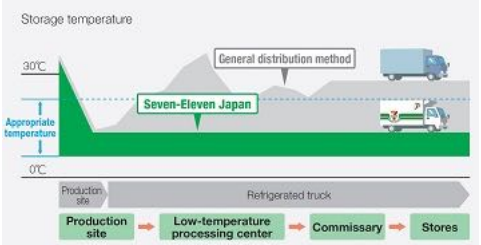
> For more details about Seven-Eleven Japan initiatives (in Japanese)

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 Fresh Foods with Traceability, 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, 2024, the Fresh Foods with Traceability brand offers a selection of 80 items of vegetables and fruits, 30 items of fresh meat, 11 items of fresh fish, and 6 items of processed foods, totaling 127 items.

> 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 of Deliciousness, Safety, and Reliability" 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 trans-fatty 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 in-store 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 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 February 2024, participants shared their experiences of accidental ingestion, talked about how they chose actual products, and provided other information, thus 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.

Workshop on food allergies 1

Workshop on food allergies 2

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 York-Benimaru initiatives (in Japanese)

Health and Nutrition

In a rapidly diversifying society characterized by declining birthrate and aging population, rise of single-person households, and advancement of women in society, Seven & i Holdings is striving to provide nutritionally balanced food products in consideration of customers' further health-consciousness amid the growing focus on health and nutrition.
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) and developing products with reduced salt and sugar. 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

“Seven Premium Zero Cider Triple Fiber 500ml”
Zero-calories, zero-sugar, and zero-fat carbonated beverages with dietary fiber

Sales of Healthy Food Products

In light of the need for plant-derived protein, we have the lineup of products that use soy-based meat in the Group's Seven Premium line of private brand products. Ito-Yokado offers boxed lunches supervised by national registered dietitians, with attention given to nutritional balance. We sold 340,000 packages in the fiscal year ended February 29, 2024. 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

Seven Premium "Soy Meat - Minced"

Seven Premium "Tofu Sweets Bar - Gateau Chocolat"

Ito-Yokado's boxed lunch supervised by dietitians

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 displays 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, and noodles, and sushi and delicatessen items cooked in Ito-Yokado stores.
In addition, for certain products of “Seven Premium,” we also provide labelling of components subject to voluntary labeling 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.
In addition, icons colored in orange or green are displayed on the front of the packaging so that it is easier to understand the product features. 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: Seven Premium "Potato Salad"

Example of nutritional labeling showing saturated fatty acids, trans fatty acids, and cholesterol: Seven Premium Gold "Golden Bread"

Example of green icon (nutrients that should not be consumed more than necessary) labeling: Seven Premium "Four Types of Unsalted Roasted Mixed Nuts"

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

Conducting Dietary Education Events for Children

Seven & i Holdings conducts dietary education events* primarily for children of elementary school age or younger as part of its social contribution activities through food. The activities were started in 2022, and by September 2024, a total of six events had been organized with more than 100 customers in total. We are committed to continually enriching the deitary habits of local customers and making them enjoyable through menu suggestions and events.

* Events that aim to help children gain accurate knowledge of food and develop desirable eating habits