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

Approach to the Material Issue

The Seven & i Group has grown to operate approximately 85,800 stores worldwide, serving over 63.6 million customers daily as of the end of February 2024. To ensure that the development of such businesses does not lead to an increase in environmental negative impact, we are working in collaboration with various stakeholders in the value chain to reduce CO_2 emissions from energy consumption, reduce waste, and promote recycling.
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 CO_2 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

  Seven & i Group Nature Policy >

  "GREEN CHALLENGE 2050" Environmental Declaration >

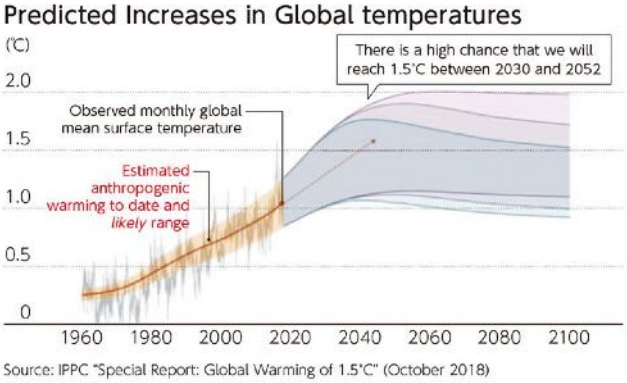
  Seven & i Group Sustainable Sourcing Principles and Policies >

  Business Partner Sustainable Action Guidelines >

Background to the Material Issue

Climate Change

Climate change is a significant threat that affects future generations, leading to sea level rise, an increase in extreme weather events, and impacts on agriculture and fisheries. According to the "Sixth Assessment Report" released by the Intergovernmental Panel on Climate Change (IPCC) in 2022, human activities have contributed to an average temperature increase of approximately 1.0°C compared to pre-industrial levels. To limit the temperature rise to 1.5°C, it is necessary to achieve net-zero emissions of greenhouse gases, including CO_2, by 2050.



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

Food Loss and Waste

While one in nine people worldwide suffers from malnutrition, Japan generates 22.32 million tons of food loss and waste annually. Of this, 4.72 million tons is food that is still edible but gets discarded, which is equivalent to each person in the country throwing away a bowl of rice every day.

* Source : "Food Loss and Waste & Recycling" Updated as of November 2024 (Ministry of Agriculture, Forestry and Fisheries)

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 <5th collection of reference materials>" (in Japanese) [PDF:11.2MB]

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) >

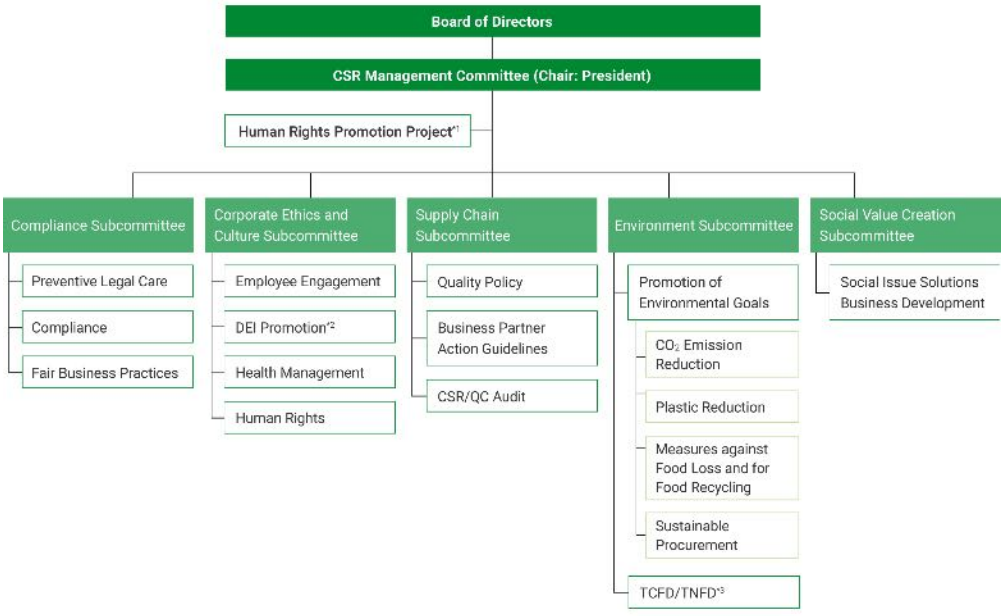
Environmental Management

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 CO_2 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.

Organizational Structure of Sustainability Promotion



*1 Promoting human rights due diligence and responding to serious human rights incidents
*2 Diversity, Equity, and Inclusion. Promote a diverse organization that respects individual differences and emphasizes fairness
*3 Task Force on Climate-related Financial Disclosures/Task Force on Nature-related Financial Disclosures

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 31% 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. High value is placed on creating a system that can respond to a variety of environmental issues including compliance, energy-saving measures, and the reduction of CO_2 emissions and 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.

	End of February 2022	End of February 2023	End of February 2024
Number of daily product manufacturing factories	177	176	172
Number of Eco Action 21 Certified Factories	137 (approx. 77%)	152 (approx. 86%)	157 (approx. 91%)

Third-Party Audit of CO_2 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 CO_2 emissions from store operations. In 2023, audits of 11 companies*1 were conducted. The sales of the 11 companies covered about 98% of the Group's total sales. The CO_2 emissions from store operations of the 11 companies in the fiscal year ended February 29, 2024 were 106,818 tons for Scope 1, and 2,497,963 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 (10,552,453 tons) of the Scope 3 emissions, we improved the accuracy and reliability of the quantitative data internally and externally.

*1 The 11 companies are: Seven & i Holdings, Seven-Eleven Japan, 7- Eleven, Inc., Ito-Yokado, York-Benimaru, SHELL GARDEN, IY Foods, Akachan Honpo, THE LOFT, Seven & i Food Systems, and Seven Bank

*2 The CO_2 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.

GREENHOUSE GAS EMISSIONS VERIFICATION STATEMENT

To: Seven & i Holdings Co., Ltd.

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 29, 2024, water usage in conjunction with store operation was reduced to 20,854,000 m^3*, 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.

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

	FY2019	FY2020	FY2021	FY2022	FY2023
Water consumption (1,000㎥)	23,606	20,537	20,893	19,424	20,854
Water consumption per million yen in sales (㎥/million yen)	3.1	2.9	2.9	2.9	3.0

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, to prevent leakage of CFCs, devices undergo regular inspections and leakage assessments required by the government in compliance with the April 2015 Act on Rational Use and Appropriate Management of Fluorocarbons. 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 equipment used for product display at our stores.

Stores with CO_2 Refrigerant Freezing and Refrigeration Equipment

	End of February 2022	End of February 2023	End of February 2024
Seven-Eleven Japan	359 stores	769 stores	1,262 stores
Ito-Yokado	4 stores	4 stores	4 stores

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_2 emissions generated from store operations by 50% compared to FY2013 by 2030 and down to net-zero by 2050.

Managing Climate Change Risks

The Seven & i Group companies conduct a risk identification process based on a common group risk classification twice a year. Along with quantifying risk assessments considering the impact and likelihood of risks, they compile countermeasures for each risk into a risk assessment sheet and submit it to the Seven & i Holdings Corporate Governance Department (Risk Management Committee Secretariat). This risk assessment sheet includes not only quantitative risks but also qualitative risks such as CO2 emission regulations, business continuity risks due to recent large typhoons, and changes in the production areas and fishing grounds of product raw materials.
The Risk Management Committee, which is held twice a year, comprehensively grasps the group's risk situation based on the risk assessments and countermeasures submitted by each group company.
From the perspectives of severity and urgency of improvement, the committee monitors the risk management and improvement efforts of each company. The status of such risk management is, in principle, reported to the Seven & i Holdings Board of Directors once a year. Seven & i Holdings and its group companies analyze and evaluate risks appropriately in each business, considering changes in the business environment and risk factors. To respond accurately, they have established, maintained, and operated an integrated risk management system centered on the Risk Management Committee based on the basic regulations of risk management. Risks related to climate change are also managed under this integrated risk management system.
The Risk Management Committee receives reports on the risk management status of each company from the respective risk management departments, discusses comprehensive risk identification, evaluation, analysis, and countermeasures, and determines future directions. Additionally, the status of such risk management is reported to the Seven & i Holdings Board of Directors once a year, in principle.
In recent years, in addition to changes in the internal environment of the Seven & i Group, the impact on business activities due to various changes in the external environment, such as CO2 emission regulations, large typhoons, and changes in the production areas and fishing grounds of product raw materials, has been increasing. In the fiscal year 2023, to respond to these changes, the risk management system was reviewed to consider not only short-term risks but also medium- to long-term risks. In the risk evaluation process, qualitative elements such as business continuity and damage to the group's brand image were added to the traditional quantitative elements as evaluation perspectives for the impact on performance if risks materialize. This aims to diversify and enhance the evaluation and analysis of various risks. Furthermore, by identifying high-priority risks from the perspectives of importance and commonality, and clarifying the roles and responsibilities of Seven & i Holdings and its group companies, the effectiveness of risk management across the group is being enhanced.

› Response to TCFD Recommendations

Measures for Adaptation to and Mitigation of Climate Change Risks

All Seven & i Group stores are committed to an enduring concern around weather and temperature change and this is reflected in our daily ordering and sales floor organization. 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.
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 not only consolidates Group-internal information but also enables the provision, sharing, and joint use of disaster information in collaboration with business partners. The system gathers 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.

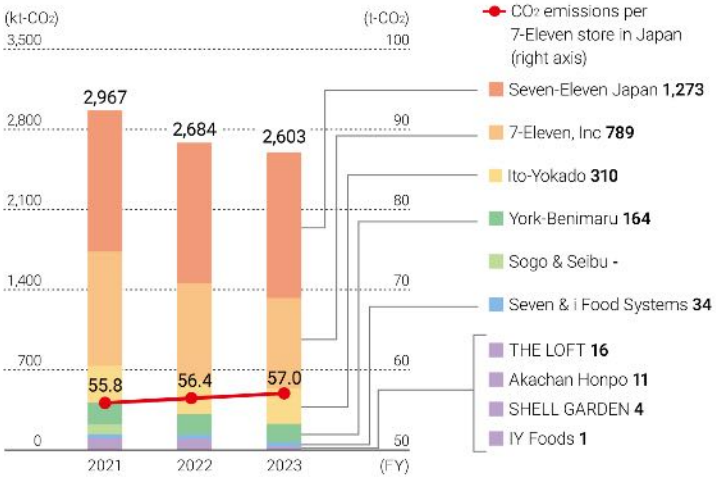
Operational Status of Seven Farm (in Japan)

End of February 2022	End of February 2023	End of February 2024
12 places (approx. 250 ha in total)	11 places (approx. 250 ha in total)	11 places (approx. 250 ha in total)

Reduction Targets for CO_2 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_2 Emissions Resulting from Store Operations*



* The figure in the top portion of the bar graph for FY2021 is the total for the following 12 companies: Seven-Eleven Japan, 7-Eleven, Inc, 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 10 companies: Seven-Eleven Japan, 7-Eleven, Inc, Ito-Yokado, York Benimaru, York, SHELL GARDEN, IY Foods, Akachan Honpo, THE LOFT, and Seven & i Foods Systems
* The figure in the top portion of the bar graph for FY2023 is the total for the following nine companies: Seven-Eleven Japan, 7-Eleven, Inc, Ito-Yokado, York Benimaru, SHELL GARDEN, IY Foods, Akachan Honpo, THE LOFT, and Seven & i Foods Systems
* From 2023, York's figure will be combined with that of Ito-Yokado
* For calculation conditions for the figures of each Group company, please refer to the data section published on the website

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 conducts initiatives tailored to the business characteristics of each company, such as raising awareness among employees about energy-saving activities through posters and other means.
We are promoting the reduction of CO_2 emissions by placing the highest priority on reducing electricity consumption in our stores.

Energy Saving Contest

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

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

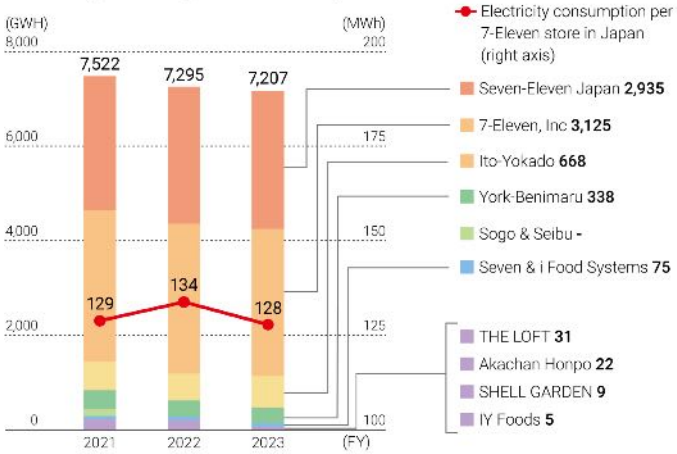
Promoting the Introduction of Energy-Saving and Energy-Creation Equipment at Stores

To curtail the increase in environmental negative 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 and energy-creation 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 in stores by approximately 50%. In addition, we have made progress in installing solar panels. Ito-Yokado is committed to the installation of LED lighting and setting up of solar panels at all its stores. Additionally, York-Benimaru has also expanded the number of stores installed with solar panels.
The Group operating companies are promoting the wider use of renewable energy.

Number of Stores with Solar Panels

	End of February 2022	End of February 2023	End of February 2024
Seven-Eleven Japan	8,775	8,823	8,962
Ito-Yokado	19	23	23
York-Benimaru	21	42	85

Electricity consumption in store operations



* The figure in the top portion of the bar graph for FY2021 is the total for the following 12 companies: Seven-Eleven Japan, 7-Eleven, Inc, Ito-Yokado, York Benimaru, York, SHELL GARDEN, IY Foods, Sogo & Seibu, Akachan Honpo, THE LOFT, Seven & i Foods Systems, and Barneys Japan
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* From 2023, York's figure will be combined with that of Ito-Yokado
* For calculation conditions for the figures of each Group company, please refer to the data section published on the website

LED lights

Solar panels

Introduction of Large-Scale Solar Power Generation

As part of efforts to reduce CO_2 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_2 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

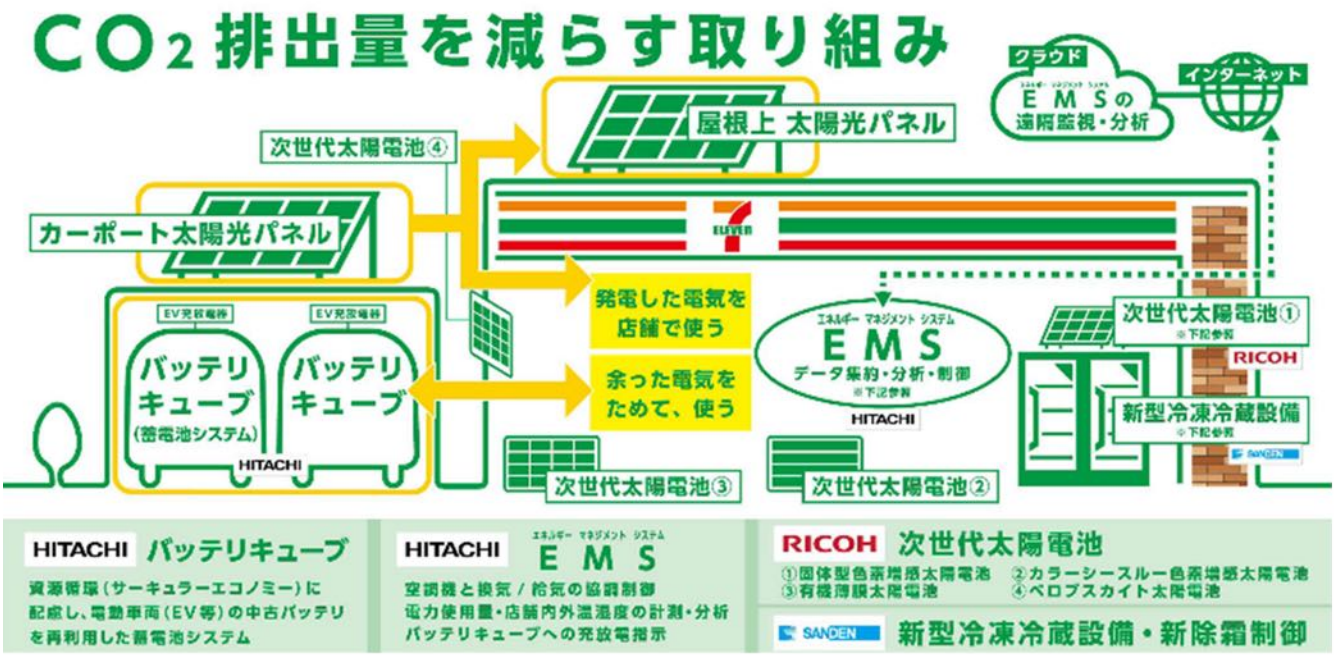
Start of Energy-Saving Store Demonstration Test

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※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.



セブン-イレブン三郷彦成2丁目店の例（2023年6月:実証実験開始時）

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.

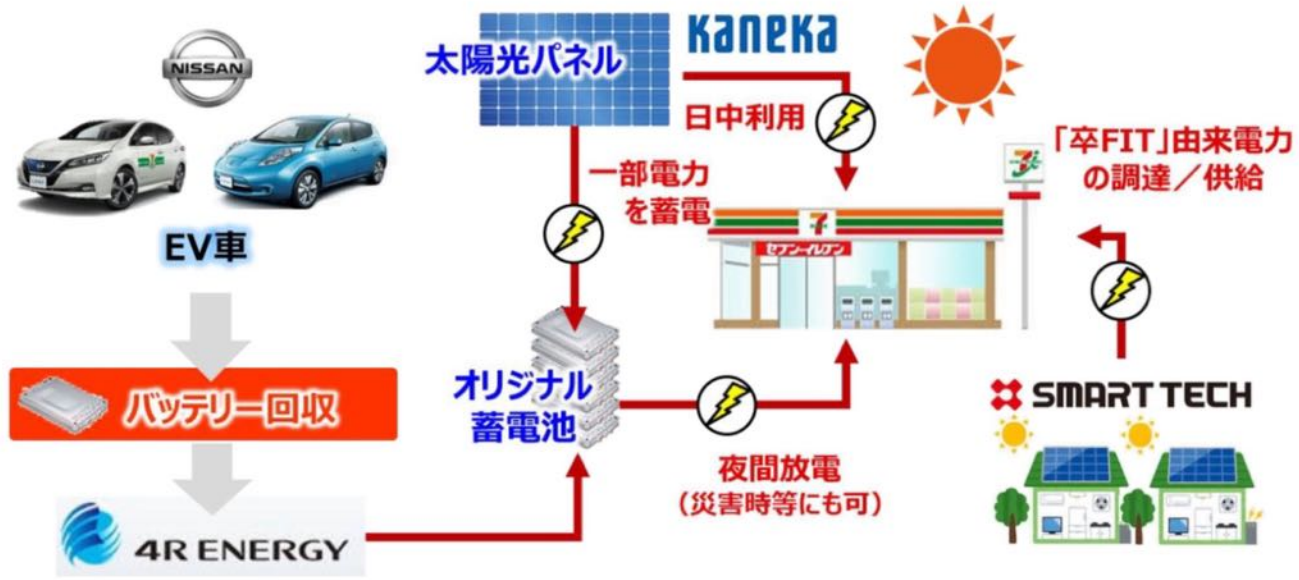
4R Energy Corporation's original batteries—which uses reused batteries from the Nissan LEAF electric vehicle produced by Nissan Motor Corporation—and solar panels with significantly improved electric power generation efficiency made by Kaneka Corporation are installed at stores undergoing the trial. 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_2 emission through this initiative. It is an assistance scheme that fixes the buyback price of energy produced. Post-FIT is expected to gradually occur from November 2019 as the scheme ends for solar energy.

※2 Achieve an actual renewable energy rate of 100% by combining the use of electric power generated/stored by stores with that of electric power originating from post-FIT.

Overview of Initiative



Stores with Hydrogen Stations

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

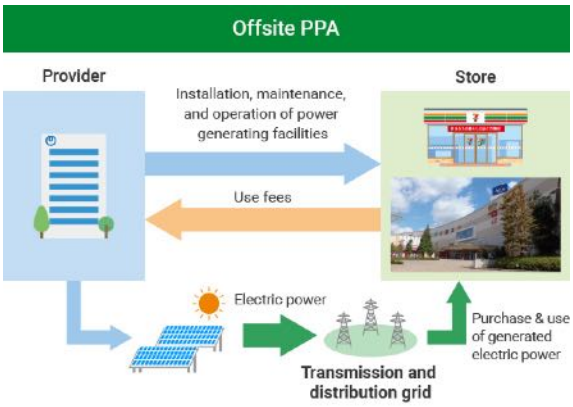
7-Eleven store with a hydrogen station at Ikegami 8-chome, Ota-ku, Tokyo

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

With the aim of realizing 100% renewable energy use in store operations of Seven & i Group, Seven & i Holdings and Nippon Telegraph and Telephone Corporation (NTT) have been steadily introducing electricity procurement based on Japan's first※1 offsite power purchase agreement (PPA) and electricity from NTT group-owned green power generation plants in some stores, since April 2021. This initiative means that 40 7-Eleven stores of Seven & i Group and the Ario Kameari store now aim to use 100% renewable energy in store operations.
The off-site PPA model refers to power generation facilities that are installed away from demand locations with the power generated being supplied to demand locations. This time, NTT Anode Energy Corporation will set up two solar power generation plants and engage in electricity supply※2 via the transmission and distribution grid. In an offsite PPA, the project developer sets up an offsite renewable energy generation plant specially for companies and local governments who are electricity consumers, and provides long-term supply of electricity. This was Japan's first offsite PPA. When the electricity from the PPA is insufficient, the rest comes from green electricity generation plants owned by the NTT group, so the electricity used in store operations is 100% renewable energy.

※1 Based on research by NTT Anode Energy Corporation through hearings with RTS Corporation, etc.
※2 ENNET Corporation, a subsidiary of NTT Anode Energy Corporation, is the agency providing this electricity supply.

Offsite PPA Diagram



Installation of Electric Vehicle Chargers

Seven & i Group has installed chargers for electric vehicles (EVs) and plug-in hybrid vehicles (PHVs) at stores, 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 that can be charged while shopping. It also aims to contribute to the realization of a decarbonized society by promoting the spread of environment-friendly, next-generation cars.

Number of Installed EV Chargers

	End of February 2023	End of June 2023	End of February 2024
Number of stores installed	Approx. 110 stores	Approx. 140 stores	Approx. 130 stores
Number of units	Approx. 2,800	Approx. 2,400	Approx. 2,300

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.

Switch to Hybrid Vehicles

	End of February 2022	End of February 2023	End of February 2024
Number of vehicles switched to hybrid	102	362	883
Total number of hybrid vehicles	3,818	4,180	3,941

Example of leased vehicle

Reduction in CO_2 Emissions with the Introduction of 4th Generation ATMs

Seven Bank has been sequentially introducing new ATMs (fourth-generation ATMs) that consume even less power than conventional ATMs since September 2019. The fourth-generation ATMs can reduce power consumption by approximately 40% compared to the third-generation ATMs, which already reduced power consumption by 48% compared to the second-generation ATMs. When all approximately 26,000 Seven Bank ATMs nationwide are replaced with fourth-generation ATMs, it will result in an annual reduction of about 10,000 tons of CO2 emissions. The introduction will continue sequentially.

※1 Conversion of CO_2 emission factors at 0.000500t-CO_2/kWh

Number of New ATMs (Fourth-Generation ATMs) Installed

	End of February 2022	End of February 2023	End of February 2024
Number of New ATMs (Fourth-Generation ATMs) Installed	Approx. 10,000	Approx. 13,400	Approx. 19,700

Changes in power consumption by ATMs

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 installed PET bottle collection machines 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 at a time, which allows reductions in the frequency of deliveries from stores to be achieved. Moreover, utilizing Seven & i Group logistics routes facilitates more efficient transportation and reductions in CO2 emissions volumes accompanying deliveries.
The collected PET bottles are made into new PET bottles and other products 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 PET bottle collection 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 collection machines to promote bottle-to-bottle recycling at all 7-Eleven stores in Higashiyamato City. Moreover, in September 2019, the installation of PET bottle collection 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 2024, 3,673 PET bottle collection machines have been installed in 34 prefectures.
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	2019	2020	2021	2022	2023
Collection volume (tons)	9,740	8,700	10,800	12,400	13,100
Number of installed machines	820	1,001	2,098	3,174	4,187

Number of PET bottle reverse vending machines installed and collection volume (Group total*)
* Seven-Eleven Japan, Ito-Yokado, York-Benimaru, Seven & i Food Systems

Achieving Complete Bottle-to-Bottle PET Bottle Recycling

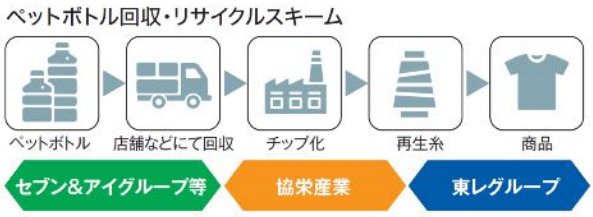
From June 2019, Seven & i Group began selling “Seven Premium Hajime Ryokucha Ichi-nichi Ippon” in recycled bottles made by using 100% of the PET bottles collected by reverse vending machines at stores. It is the first initiative of its kind in the world that recycles PET bottles collected from specific 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 2024, Ito-Yokado carries approximately 250 clothing items that use these recycled materials, accounting for about 14% 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 2024). The "equivalent headquarters revenue" from the sale of plastic bags in FY2023 amounted to approximately 880 million yen. This revenue is being utilized in part to cover the costs of installing PET bottle reverse vending machines and other related expenses.

Reducing Waste

In Japan, approximately 100,000 tons of discarded food oil from households is generated annually, most of which is disposed of as combustible waste without being reused. In response to this situation, from February 2023, the Ito-Yokado Nishi-Nippori store online supermarket commenced an initiative to collect used or unused discarded oils generated in households and recycle these into soap, ink solvents, and other resources. As of September 1, 2024, 30 stores have implemented this initiative. Additionally, collecting these oils in dedicated returnable bottles distributed to customers allows these bottles to be cleaned and reused repeatedly, thereby constituting a further initiative to mitigate the generation of waste.

Dedicated Bottles for Collecting Used Cooking Oil

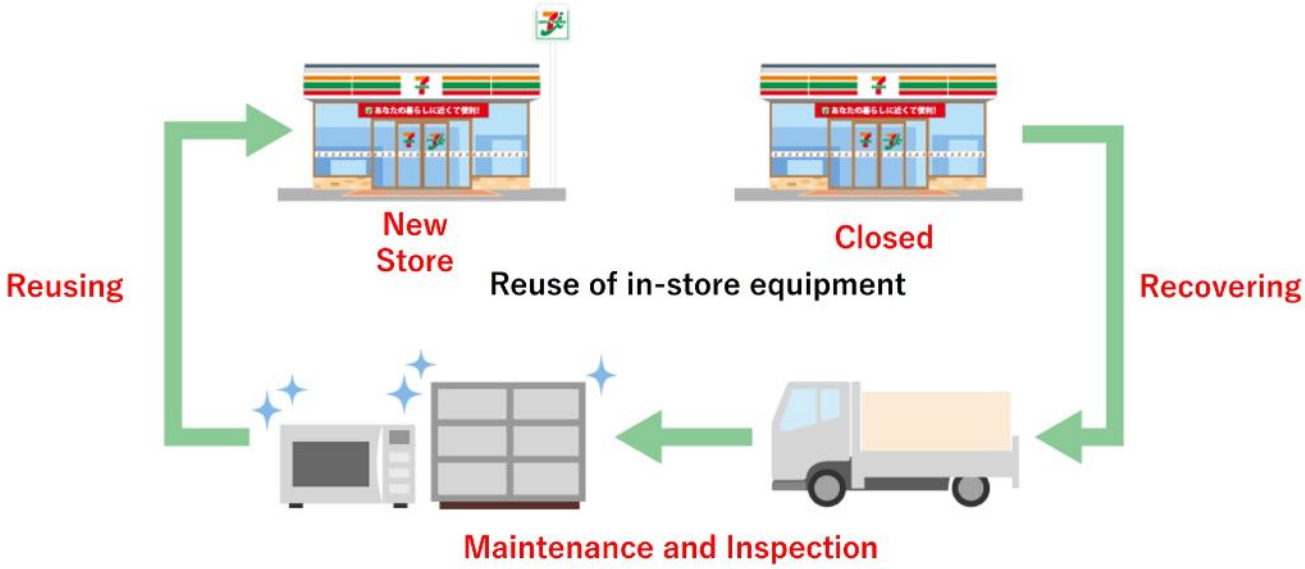
Ito-Yokado is working to curtail the generation of waste and to promote reuse and recycling with a view to reducing waste disposal. For example, in product deliveries, Ito-Yokado utilizes reusable containers and hangers for delivery of apparel as a way of cutting down on the use of packaging and cardboard. 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

Seven-Eleven Japan collects in-store equipment, such as refrigerated cases, from closed stores and, after cleaning, refurbishing, and inspecting them, promotes their reuse in new stores.



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 30% compared to conventional containers. 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 plant-derived biomass resin to some of the plastic promotional display items in 7-Eleven stores.

Plastic Reduction* in Cup Deli: Seven-Eleven Japan

FY2021	FY2022	FY2023
483 tons	529 tons	667 tons

* Comparison with the lids on conventional Cup Deli items

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_2 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_2 emissions of approximately 250 tons per year, the equivalent of the CO_2 absorbed by approximately 18,000 cedar trees.

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

Use of Biomass Raw Materials

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

Example of Salad Cup Container using environmentally friendly PET

Bioplastic container

Cut fruit inside a bioplastic container

Adopting "Rice Ink" for Package Printing

In April 2016, Seven-Eleven Japan introduced rice ink for printing the packaging of rice balls sold at its stores. Rice ink is made from rice bran oil, a non-edible part of the plant extracted from rice bran. This ink reduces the Company's annual CO2 emissions by around 60 tons compared with conventional petroleum-based inks and is therefore aiding in reducing environmental impact (botanical ink is used on some paper packaging). 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_2 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." 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%.

Plastic Reduction in Chilled Boxed Lunches

FY2021	FY2022	FY2023
826 tons	848 tons	886 tons

* Comparison with conventional containers incorporating plastics

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.

› See here for further information about Seven Forest (in Japanese)

Introduction of Recycled Materials

Ito-Yokado is introducing recycled trays manufactured by suppliers that have received Eco Mark certification. In addition, some of the Group's "Seven Premium" private brand products use recycled PET materials as part of the packaging film.

Reducing CO2 Emissions with the Use of Recycled Trays

FY2021	FY2022	FY2023
Approx. 2,500 tons	Approx. 2,500 tons	Approx. 2,700 tons

再生トレイ

ペットボトルのリサイクル素材を採用したパッケージ

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. We strive to make SEVEN CAFÉ environmentally-friendly.
In the fiscal year ended February 28, 2018, we also 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.

Environmental Initiatives of SEVEN CAFÉ

Antibacterial deodorizer that uses recycled coffee grounds

Introduction of Environmentally Friendly Cutlery to All Stores Nationwide

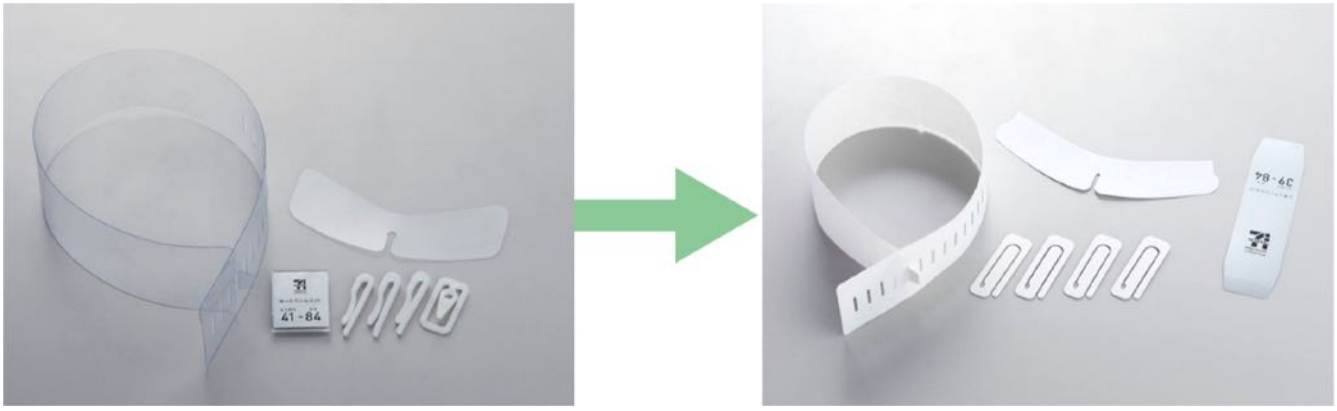
As a means of curbing the distribution of unnecessary cutlery, such as spoons and forks, for same time 7-Eleven stores have been asking customers whether they require cutlery with their purchases. Furthermore, beginning with all stores in Okinawa Prefecture, Seven-Eleven Japan introduced cutlery that 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.
Ito-Yokado is working to reduce petroleum-derived plastics with the use of plastic cutlery made with 25% biomass, including the runcible spoons and forks distributed at checkout counters.

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.

* "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

Usage Quantity of Packages Containing Green Nano

FY2021	FY2022	FY2023
Approx. 5.0 million	Approx. 4.8 million	Approx. 4.5 million

Usage of Environmentally Friendly Containers and Packaging Materials for Original Products

【Usage of Paper and Glass】

Material	FY2021	FY2022	FY2023
Paper	20,257t	19,982t	22,550t
- Percentage of certified paper	46.5%	52.5%	39.6%
Glass	6,441t	6,108t	5,178t
- Percentage of recycled glass	69.0%	73.4%	75.4%

*1 Calculated from the annual report of the Japan Containers and Packaging Recycling Association

*2 Percentage of recycled glass is calculated from the annual report of the 3R Promotion Council for Glass Bottles

*3 Total of six companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, IY Foods, Akachan Honpo, and Seven & i Food Systems

【Usage of Plastics made from eco-friendly materials】 (Unit: t)

Material type	FY2021	FY2022	FY2023
Biomass	901	1,016	1,172
Biodegradable	1	9	5
Recycled	11,110	17,363	25,429
Total	12,012	18,389	26,607

*1 Total of six companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, IY Foods, Akachan Honpo, and Seven & i Food Systems

*2 Totals may not add up due to rounding of numbers

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

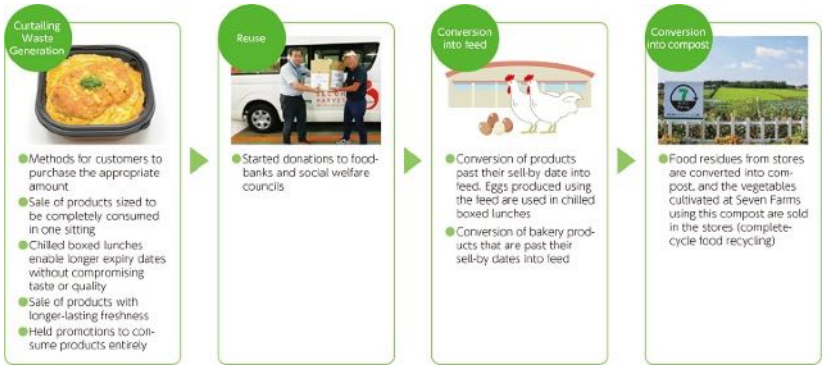
Food accounts for about 60% of Seven & i Group's sales, and the "GREEN CHALLENGE 2050" Environmental Declaration has established food loss and waste / organic waste recycling countermeasures as one of its themes and is promoting initiatives. The "GREEN CHALLENGE 2050" aims to raise the organic waste 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.

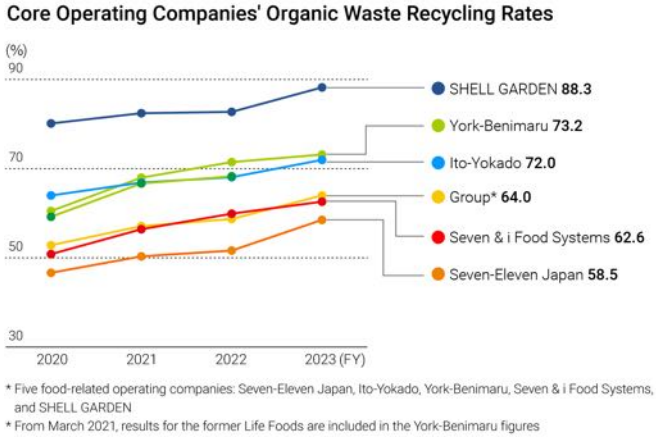
*Amount generated per one million yen in sales

* Covering five food-related operating companies: Seven-Eleven Japan, Ito-Yokado, York-Benimaru, 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.





Amount of Food Waste Generation

	FY2019	FY2020	FY2021	FY2022	FY2023
Amount generated per million yen of sales (kg)*	22.35kg	21.01kg	20.28kg	19.83kg	17.68kg

* 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.

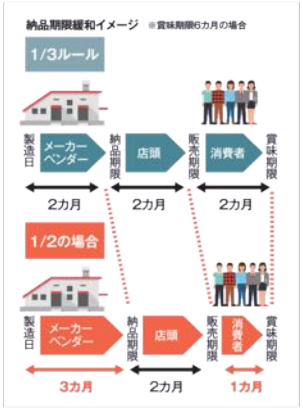


Image showing relaxed delivery deadlines

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 is promoting the "Temaedori" initiative in collaboration with the Consumer Affairs Agency, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of the Environment, the Japan Franchise Association, and the 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 soon to choose from products placed in an immediately accessible location. This activity has also been expanded to Seven & i Group 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.
In this way, Seven & i Group is also taking the initiative to reduce the generation of waste as a foremost priority, as well as stepping up recycling of food waste already generated. For example, 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.

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 2024, about 85% of our original daily products have a sales deadline that is over 24 hours away.

Donations to Food Banks

Since 2017, Seven-Eleven Japan has been donating inventories to food banks* of processed foods left over as surplus when shops are closed or refurbished. As of the fiscal year ended February 28, 2019, it also entered into the “Agreement Pertaining to Social Welfare Activities through Product Donation” with local social welfare organizations and municipalities and launched similar initiatives. The donated products are distributed through social welfare organizations to organization and facilities that support people such as seniors, persons with disabilities, children, and the needy. As of the end of February 2024, it has concluded collaboration agreements with 44 partners.
In addition, Ito-Yokado has been donating pre-expired foods from some stores to food banks since the fiscal year ended February 28, 2018.

* 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.

Donations to Food Banks (Ito-Yokado) (Cumulative Total)

FY2021	FY2022	FY2023
Approx. 4,473kg	Approx. 4,984kg	Approx. 5,000kg

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 food products that have passed their sales deadlines into feed or compost.

* 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 February 2024) have acquired JGAP certification.

Seven Farms

Seven Farms’ Circular Economy Model

> More details on Seven Farm can be found here (in Japanese)

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, some Seven & i Group stores conduct “food drives,” which involve customers bringing surplus food from their households to participating stores, with this food then donated to food banks. Food brought to the stores is distributed to people in need through food banks and social welfare organizations.

Ito-Yokado began installing permanent food drive collection boxes in its stores in June 2020. 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.

Number of Stores with Food Drive Collection Boxes

FY2021	FY2022	FY2023
44	75	83

Seven & i Food Systems is promoting initiatives to encourage finishing meals as part of its responsibility as a food service company. 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 over the four consecutive years from 2021. In the fiscal year ended February 29, 2024, the scope of this initiative has been expanded to become a seven-organization joint undertaking of public and private sector entities by also involving Royal Holdings Co., Ltd., SRS Holdings Co., Ltd., Nippon Hotel Co., Ltd., Keio Plaza Hotel Co., Ltd., Aleph Inc., and the municipal governing body of Suginami City, Tokyo. 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

Sustainable Sourcing of Raw Materials

Seven & i Group has established the Sustainable Sourcing Principles and Policies 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 Sourcing

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 MSC-Certified Products

Since October 2018, the Seven & i Group has been selling MSC-certified seafood products under its private brand "Seven Premium" at various group stores. These products are wild-caught seafood that have been harvested through fisheries that consider marine resources and the marine environment. They are produced by companies that have obtained certification for their management systems in the processing and distribution stages. In October 2022, Seven & i Holdings obtained the 'CoC Certification,' which is a certification for the distribution management of MSC-certified seafood caught through environmentally conscious fisheries. As a result, it has become possible to sell MSC-certified seafood processed in the group's supermarkets (Ito-Yokado, York-Benimaru, York) as certified products.

The ratio of MSC-certified products in Seven Premium's seafood products

FY2021	FY2022	FY2023
8.2%	8.1%	9.2%

MSC-certified marine product

Ocean Eco-Label : MSC-C-59602

Sales of ASC-Certified Products

At the fresh fish sections of Ito-Yokado, York-Benimaru, and York, we sell products that have obtained ASC* certification, which is awarded to responsible aquaculture practices that consider the environment and society. In October 2022, Seven & i Holdings obtained the 'CoC Certification,' a certification standard for the distribution management of ASC-certified seafood that considers the natural environment. As a result, it has become possible to sell ASC-certified seafood processed in the group's supermarkets (Ito-Yokado, York-Benimaru, York) as certified products.

*ASC: Aquaculture Stewardship Council

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

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

The ratio of ASC-certified products in Seven Premium's marine products

FY2021	FY2022	FY2023
3.7%	3.0%	15.7%

ASC-certified marine product

ASC-certified label: ASC-C-03754

Sales of MEL-Certified Products

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 2024. 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

Point-of-purchase ad that explains marine product certifications

MEL mark

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 29, 2024, Ito-Yokado's food sections sold Alaskan seafood products such as salted red salmon, salmon roe, kinki (rockfish), and menuke (rockfish). Additionally, since November 2022, Alaskan seafood has been used in the hand-wrapped rice balls sold at Seven-Eleven, with the logo mark displayed on the packaging.

Hand-wrapped rice ball made with Alaskan seafood

Alaska Seafood logo

› Alaska Seafood (Alaska Seafood Marketing Institute) website

Approach to Agricultural Product Sourcing

Seven & i Group is promoting the acquisition of GAP (Good Agricultural Practice) certification for safe farm and aptitude management to promote the sourcing 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 29, 2024 at Ito-Yokado topped ¥21.6 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).
To expand the range of GAP-certified products, we are promoting the acquisition of JGAP instructor qualifications among the group's product development staff and strengthening collaboration with our suppliers and producers.

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

	FY 2021	FY 2022	FY 2023
Number of certified instructors*	62	139	100

* 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 2019	FY 2020	FY 2021	FY 2022	FY 2023
Sales* (100 million yen)	228	246	243	248	216

* 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.

Soybean Sourcing

While the demand for soybeans is increasing due to health-conscious trends and the development of soy meat, there are numerous challenges associated with soybean sourcing. These include deforestation and ecosystem destruction for farmland expansion, soil contamination from pesticides, and human rights issues for farm workers. Soybeans are also subject to the European Union Deforestation Regulation (EUDR). Additionally, an analysis based on the TNFD framework conducted by the Seven & i Group in the fiscal year ended February 29, 2024, identified soybeans as a critical raw material, alongside coffee beans and rice, due to their significant dependence on and impact on nature, as well as the large procurement volume within the group.

Starting in 2023, the Seven & i Group began using SSAP (Sustainability Assurance Protocol) certified materials from the U.S. Soybean Export Council (USSEC) for the "TOFU BAR" series of the group's original product line, Seven Premium. The SSAP certification sets standards from various perspectives, including traceability to producers, environmental conservation, biodiversity preservation, and consideration of workers' human rights.

In the fiscal year ended February 29, 2024, approximately 9,000 tons of soybeans were used in Seven Premium products made primarily from soybeans. Of this amount, 13.5% were SSAP-certified soybeans.

TOFU BAR made with SSAP-certified soybeans

SUSTAINABLE U.S. SOY®

SSAP certification logo

THE U.S. SOY SUSTAINABILITY ASSURANCE PROTOCOL DIRECTIVES

1. Biodiversity and High Carbon Stock Production Control Measures and Regulations

1.1 Land Use, Sensitive Habitats & Biodiversity

2. Production Practices Control Measures and Regulations

2.1 Soil Health & Productivity

2.2 Crop Health & Agricultural Best Management Practices

2.3 Waste & Pollution

2.4 Greenhouse Gas Emissions, Fossil Fuel Use & Air Quality

3. Public and Labor Health and Welfare Control Measures and Regulations

3.1 Water Quality & Quantity

3.2 Plant Protection & Nutrient Management

3.3 Working Conditions & Labor Relations

3.4 Worker & Public Safety

3.5 Community Relations

4. . Continuous Improvement of Production Practices and Environmental Protection Control Measures and Regulations

4.1 Continuous Improvement

› the website for the U.S. Soybean Export Council (USSEC) SSAP certification

Cacao Sourcing

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

Furthermore, in January 2024, we joined the Platform For Sustainable Cocoa In Developing Countries, administered by the Japan International Cooperation Agency (JICA), to collaborate and cooperate with various stakeholders involved in cocoa raw materials. This initiative aims to address issues related to human rights and child labor in the supply chain, as well as challenges such as deforestation and land conversion.

Chocolate made with internationally Fair Trade certified cocoa

Mark of the Platform For Sustainable Cocoa In Developing Countries

› The website for the Platform For Sustainable Cocoa In Developing Countries (in Japanese)

Sourcing of Coffee Beans

In the Seven & i Group, coffee beans are used in a wide range of product categories, from counter coffee in convenience store operations to coffee-related products under the Seven Premium brand. On the other hand, like soybeans and palm oil, coffee beans are considered "forest risk commodities" under the European Union Deforestation Regulation (EUDR), due to the high risk of deforestation and land-use change associated with them. Therefore, in accordance with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), the Seven & i Group has selected 14 key raw materials through scoping, evaluated their dependence and impact on nature, and conducted a LEAP approach analysis for coffee bean sourcing, disclosing LOCATE and EVALUATE.

› The LEAP approach analysis based on the Taskforce on Nature-related Financial Disclosures (TNFD)

* Additionally, concerning TNFD, the Seven & i Group plans to implement initiatives to reduce the impact on nature for other key raw materials selected alongside coffee beans, such as soybeans and rice. As a group that develops businesses centered around "food," we also plan to extend our evaluations to include livestock products and marine products.

Palm Oil Sourcing

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)

Sourcing 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 sourcing of organic cotton for underwear and bedding as part of its sustainable sourcing 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 94 Ito-Yokado stores throughout Japan (as of the end of February 2024) and its online shop. Only organic cotton that meets U.S. Organic Content Standards (OCS) is used as a raw material in these products. It also sells towels made of organic cotton.

Seven Premium Lifestyle 100% Organic Cotton Innerwear

Animal Products Sourcing

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).

Sale of Cage-Free Eggs

An increasing number of customers are concerned about the environment in which animals are raised. In our "Seven Premium Fresh" line, we are mindful of the environment in which chickens are raised. We sell "Traditional Cage-Free Eggs" sourced from hens raised in a free-range environment where they can move around freely. As of the end of February 2024, these eggs are available at all our supermarket stores.

Seven Premium Fresh "Traditional Cage-Free Eggs"

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 29, 2024, FSC®-certified paper is used for 433 items including ice cream containers, and PEFC-certified paper is used 31 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

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 the fiscal year ending February 29, 2020, due to the global spread of COVID-19, we cancelled the on-site briefing sessions on the Seven & i Group Business Partner Sustainable Action Guidelines and CSR audits, but from June 2020 we began explaining the Seven & i Group Business Partner Sustainable Action Guidelines to business partners with overseas production bases via on-demand distribution, and encouraged them to put them into practice. In addition, from August 2020, we made it possible to view materials in Chinese and five other Asian languages, and from October, we began distributing videos explaining CSR audits with Chinese narration for our business partners in China. In fiscal 2023, we held explanatory meetings on the Seven & i Group Business Partner Sustainable Action Guidelines and CSR audits, which were broadcast live and on demand, and 618 people from 416 companies watched the live broadcast. In addition, 1,181 people watched the recording, and 4,653 people viewed the explanatory meeting materials.

- ◆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

› 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*1 Calculation

Seven & i Holdings is working to reduce CO_2 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_2 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 29, 2024, we calculated emissions for 10 major Group companies.*2 The Seven & i Group, supports the comfortable lives of its customers. On the other hand, some aspects place a burden on the environment. We will actively work to expand the supply of renewable fuels and the installation of EV chargers. 7-Eleven, Inc., which sells gasoline, is advancing a sustainable future through targeted priorities, including increased access to alternative fuels, an overall reduction in CO_2e emissions and a continued investment in renewable energy.

* 1. “Scope 3”: CO_2 emissions other than those from the company, emitted from its procurement of raw materials and products, transportation, and product use, together with CO_2 emissions from waste disposal processes
* 2. The following 10 companies: Seven-Eleven Japan, 7-Eleven, Inc., Ito-Yokado, York-Benimaru, SHELL GARDEN, IY Foods, Akachan Honpo, THE LOFT, Seven & i Food Systems, and Seven Bank

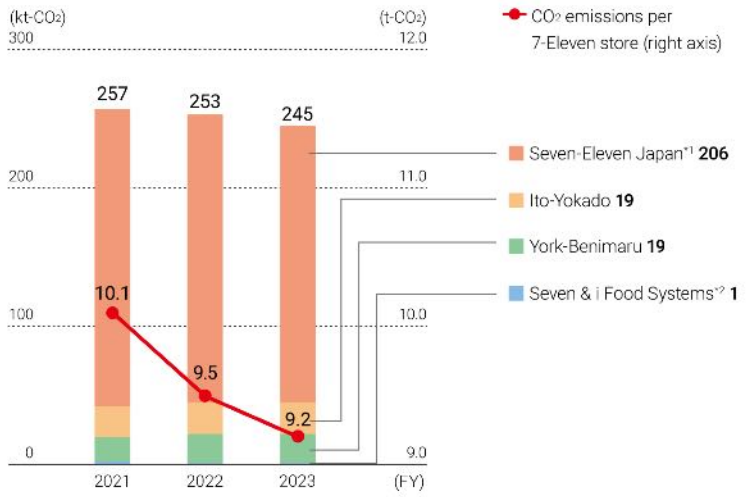
Breakdown of Greenhouse Gas Emissions throughout the Supply Chain in the Fiscal Year Ending February 29, 2024 (Totals for 10 companies)

Categories	Amount of emissions (t-CO_2)	Composition ratio (%)
Category 1 (Purchased goods and services)	45,125,615	26.0%
Category 2 (Capital goods)	870,075	0.5%
Category 3 (Fuel- and-energy-related activities not included in Scope 1 or 2)	580,766	0.3%
Category 4 (Upstream transportation and distribution)	836,633	0.5%
Category 5 (Waste generated in operations)	593,096	0.3%
Category 6 (Business travel)	27,210	0.02%
Category 7 (Employee commuting)	492,645	0.3%
Category 8 (Upstream leased assets)	-	-
Category 9 (Downstream transportation and distribution)	51,844	0.03%
Category 10 (Processing of sold products)	-	-
Category 11 (Use of sold products)	118,151,843	68.1%
Category 12 (End of life treatment of sold products)	436,817	0.3%
Category 13 (Downstream leased assets)	93,710	0.1%
Category 14 (Franchises)	6,262,307	3.6%
Category 15 (Investments)	-	-
Total of Scopes 3	173,522,561	100.0%

Reducing CO_2 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.

CO_2 Emissions by Delivery Trucks



*1 The values include CO_2 emissions from delivery trucks of business partners and distribution center operations
*2 The values are from Denny's only

Introduction of Eco-Friendly Vehicles

For its delivery vehicles that convey products to stores, Seven-Eleven Japan is introducing clean diesel engines, compressed natural gas (CNG), hybrid vehicles, and EV trucks and hydrogen-powered fuel cell trucks that do not emit CO_2, with the goal of reducingCO_2 emissions to achieve a decarbonized society. Of the total of 6,205 delivery vehicles, 5,688 are environmentally friendly vehicles (as of the end of February 2024).

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_2 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 2024, 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 2024, 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 2024).

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 of JCI 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)
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)
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_2 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_2 emissions and the construction of a sustainable society, which is the goal of the environmental declaration "GREEN CHALLENGE 2050."
SBTN Corporate Engagement Program	Member (LINK)	The SBTN is a collaborative organization of non-profit organizations and businesses that develops and provides methods and resources for setting science-based targets for a sustainable global system based on the activities of the SBT initiative. The SBTN Corporate Engagement Program aims to work with a number of partners, including businesses, to develop a scientific approach to setting targets for the use of natural capital by businesses.
30by30 Alliance for Biodiversity	Member (LINK)	Hosted by the Ministry of the Environment, this is an alliance that aims to achieve the goal of effectively conserving more than 30% of the land and sea as healthy ecosystems by 2030, with the goal of becoming nature-positive by 2030.