

Corporate Social Responsibility (CSR)

CSR Activities—Basic Policy and Implementation Framework

The basic policy of the Group (Seven & i Holdings and its operating companies) for its business activities is to take a sincere approach in dealing with all of its stakeholders, including shareholders, customers, business partners, local communities, and employees.

To facilitate the steady implementation of this policy, we established three committees—the CSR Management Committee, the Risk Management Committee, and the Information Management Committee. With each committee maintaining close links with operating companies, this system has enabled us to meet our responsibilities to stakeholders.

Each committee periodically investigates and evaluates the initiatives of each operating company, and the results are reflected in the formulation of management objectives and action plans for each company, as well as for the Group as a whole. In this way, we are working to increase the level of CSR-related initiatives for the entire Group.

Stakeholder Engagement

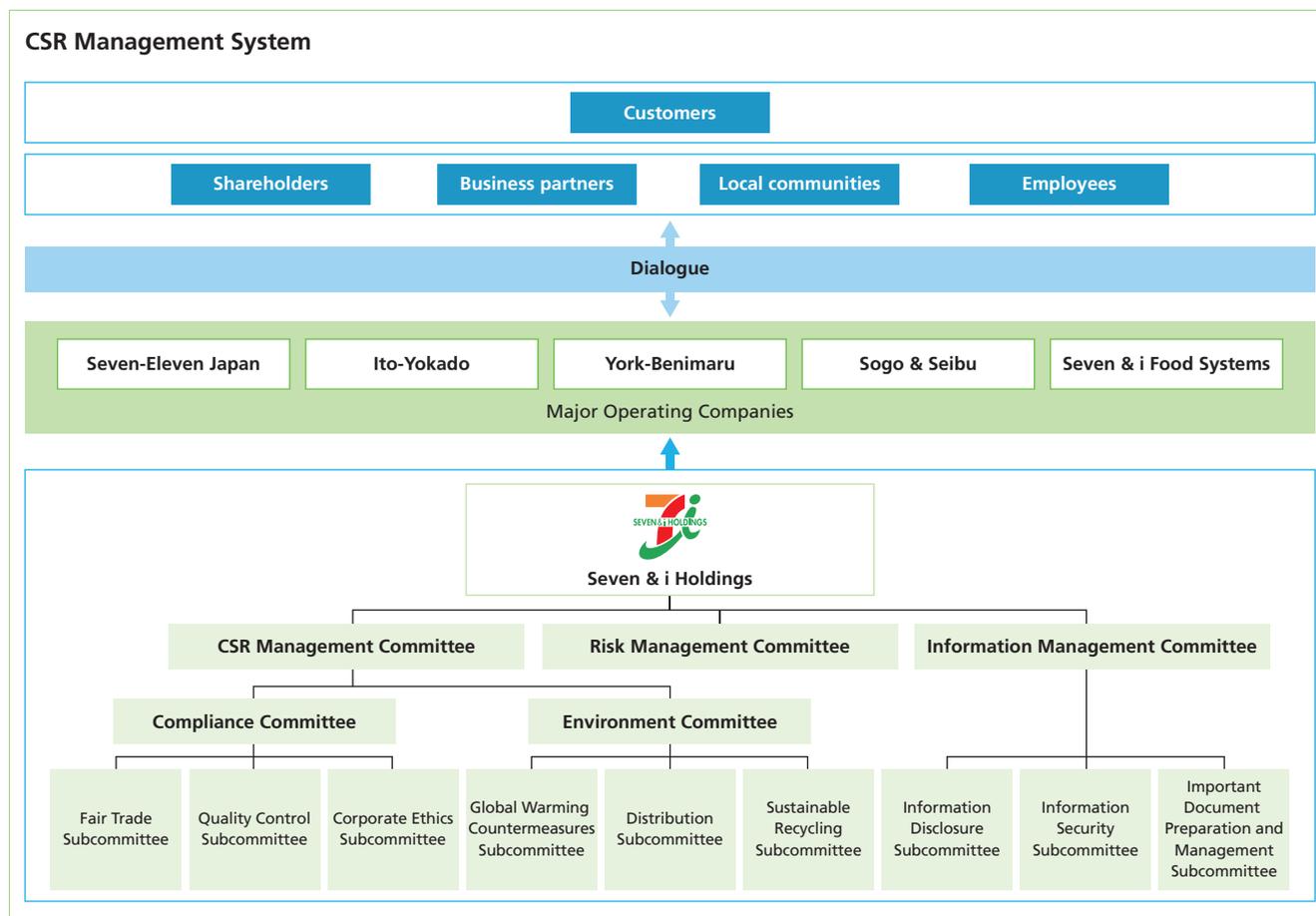
To maintain the trust of its wide range of stakeholders, the Group must continually work to appropriately understand and respond to their interests and concerns regarding society and the Group. Accordingly, the Group is striving to engage in dialogue with stakeholders in order to ensure that the Group’s decision-making process reflects their feedback, including their opinions, needs, areas of dissatisfaction, and complaints.

Disclosure

Detailed information about the Company’s CSR activities is provided in the CSR Report 2010.

This report is available, in English and Japanese, at our website:

<http://www.7andi.com/en/csr/csrreport.html>





Inclusion in Socially Responsible Investment (SRI) Indices

In recent years, there has been growing interest in socially responsible investment (SRI) in which important assessment factors include not only financial areas but also non-financial areas, such as the environmental, economic, and social aspects of a company.

In 2010, the Company was selected for inclusion in the Dow Jones Sustainability World Index (DJSI World)*¹, one of the world's leading SRI indices. The DJSI evaluates about 2,500 companies around the world from a comprehensive perspective incorporating non-financial factors. In 2010, 323 companies were selected, including 31 Japanese companies. In addition, the Company has been selected as a member company of other SRI indices, FTSE Group's FTSE4Good Index Series*² and Morningstar's MS-SRI*³.

(As of the end of June 2011)

- *1. An SRI stock price index developed jointly by U.S.-based Dow Jones and Switzerland-based Sustainability Asset Management (SAM), an SRI ratings company.
- *2. An SRI stock price index developed and published by FTSE, a joint venture between the U.K.-based Financial Times and the London Stock Exchange.
- *3. Japan's first domestic SRI stock price index created by Morningstar comprised of 150 companies listed in Japan, which are selected for their superior social responsibility.

CSR Priority Issues

We have positioned five fields as Groupwide CSR challenges. These are strengthening CSR management; reducing the environmental impact; provision of safe, reliable products and services; coexistence with local communities; and creating fulfilling workplaces. In these areas, each operating company has determined priority issues in accordance with the characteristics of its own operations and is moving forward with initiatives targeting the resolution of social issues.

By reevaluating these initiatives through the PDCA cycle, the Group is striving to establish an approach to CSR that is balanced in a comprehensive manner.

Challenges Facing the Seven & i Group

Strengthening Corporate Governance and CSR Management

Strengthening internal control, strengthening CSR management, ensuring compliance, promoting fair business practices, establishing corporate ethics, promoting CSR procurement

Reducing the Environmental Impact

Attaining an appropriate grasp of environmental impact, improving energy efficiency and introducing renewable energy, reducing waste and developing a recycling-oriented society, implementing measures for biodiversity, offering eco-friendly products, raising environmental awareness among employees

Provision of Safe, Reliable Products and Services

Ensuring the quality and safety of products and services, developing stores and facilities customers can visit with a sense of security, assuring appropriate information provision, responding sincerely to customer opinions

Coexistence with Local Communities

Supporting young parents and the elderly, assisting in local community revitalization, providing support in times of disaster, implementing crime-prevention measures for local communities

Creating Fulfilling Workplaces

Supporting development of employee abilities, assuring fair assessment and treatment of employees, achieving a work-life balance, making use of diverse human resources, assuring consideration for worker health and safety

Principal Operating Company Initiatives

Reducing the Environmental Impact

- Installing energy-efficient store facilities and equipment
- Promoting food waste recycling

Coexistence with Local Communities

- Developing and selling locally produced products for local consumption
- Accepting local students for work experience

Provision of Safe, Reliable Products and Services

- Promoting barrier-free stores
- Employing universal design in store layouts
- Ensuring food product traceability

Creating Fulfilling Workplaces

- Operating support system for childcare & nursing
- Promoting employment of the physically challenged

GROUP INITIATIVES IN DISASTER-STRICKEN AREAS

For the Group, the Great East Japan Earthquake has reinforced our awareness of our social responsibilities and our mission as part of the infrastructure that supplies products closely linked to the daily lives of customers. In this section, we introduce some examples of how the entire Group worked together and continued our operations to protect the lifelines of local communities, as well as examples of initiatives that we implemented to support the reconstruction of the disaster-stricken areas.

Seven & i Group: Social Infrastructure in the Local Community

So that the Group's stores could fulfill their role as social infrastructure in local communities, we placed the highest priority on maintaining store operations and on rapidly reopening stores that had closed. On the other hand, at the head office, we launched the Earthquake Response Office immediately after the earthquake. Under the direction of this office, we distributed emergency relief items, such as water, bread, rice (retort pouches); took steps to confirm the damage status of operating companies; established a support system comprising employees at the head office and other areas; and implemented backup measures for the purpose of rapidly reopening stores that had been damaged. Support was provided to about 300 Seven-Eleven Japan (SEJ) employees and about 300 Ito-Yokado employees.

Seven-Eleven Japan: Closer and More Convenient with SEJ's First "Store-On-Wheels"

As a result of the earthquake in March, a large number of towns on the Pacific Coast of Japan suffered devastating tsunami damage, and some towns were even completely destroyed. To meet customer expectations for "close by convenient stores" in this setting, on April 6, SEJ launched its first ever "store-on-wheels," beginning with four stores in Miyagi Prefecture. One hundred items necessary for daily life, centered on rice balls, bread, and other ready-to-eat foods and drinks, were loaded onto a refrigerated delivery vehicle that had been converted into a store-on-wheels. In this way, SEJ is able to sell these items in the parking lots of stores that have found it difficult to restart operations.

Ito-Yokado: "Ganbaro (Stay Strong!) Tohoku" Campaign

With the objective of supporting producers in the Tohoku region, Ito-Yokado began a campaign of actively selling products from the Tohoku region, such as rice, vegetables, fruit, fish, and beef. We conducted our own tests and made clear at the stores that traceability had been confirmed for these products. Consequently, we had many positive comments from customers, such as "I want to support the people who have suffered from the disaster," and "they (the products) have been thoroughly tested, so I can buy them with confidence."



Providing the necessary relief supplies



Operating a shuttle bus connecting open and closed stores by York-Benimaru



Supplying products using "store-on-wheels" by Seven-Eleven Japan



Many customers who support the stricken areas visited Ito-Yokado