

## Corporate Social Responsibility (CSR)

The Seven & i Group aims to be a corporate group that contributes to building an even better society by focusing on measures to resolve social issues through its stores, products, and businesses.

For further information, please visit our CSR website.



[www.7andi.com/en/csr/index.html](http://www.7andi.com/en/csr/index.html)

### As the Holding Company, We Have Established the Group Policies and the Challenges Facing the Seven & i Group and Promoted CSR Management

In 2009, through dialogue with outside experts, Seven & i Holdings formulated the five Challenges Facing the Seven & i Group. The Challenges were also established with reference to ISO 26000, which are international guidelines on social responsibility, and the Global Reporting Initiative's (GRI's) Sustainability Reporting Guidelines (see right column).

In order to strengthen measures regarding the Challenges and CSR activities, we established the CSR Department, which reports directly to the president. Furthermore, we established the CSR Management Committee, which is chaired by the president and composed of the people responsible for the CSR-related divisions, and three subcommittees under its management—the Corporate Ethics and Culture Subcommittee, Consumer Affairs and Fair Business Practices Subcommittee, and Environment Subcommittee.

#### CHALLENGES FACING THE SEVEN & i GROUP

1. Strengthening Corporate Governance and CSR Management
2. Reducing Environmental Impact
3. Providing Safe, Reliable Products and Services
4. Coexisting with Local Communities
5. Creating Fulfilling Workplaces

Each subcommittee formulated targets for activities in line with the Challenges, and set up project teams made up of members of each company and the CSR Department for each specific activity to be pursued. The project teams jointly explore and formulate solutions, and implement the activities after obtaining subcommittee approval.

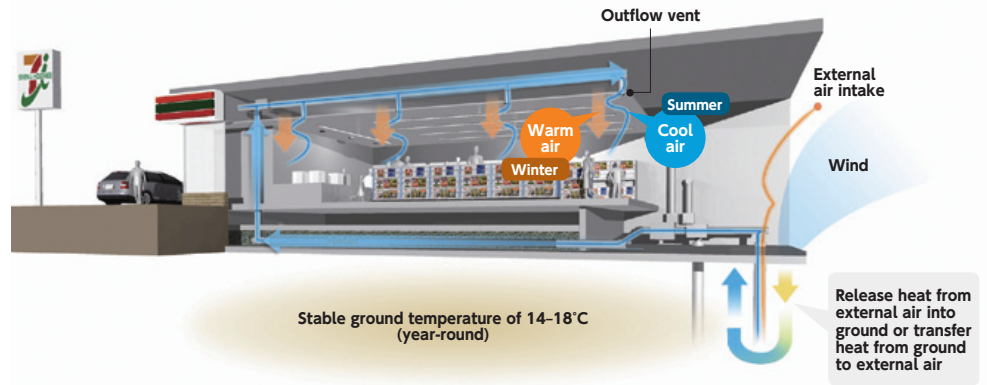
### Reducing Environmental Impact

In order to fulfill our mission of offering society safe and reliable products and convenience, the Group has continued aggressively opening new stores and developing products and services. However, the increasing number of stores, products and services has been accompanied by an increase in electricity consumption and waste volume. While suppressing the expansion of the environmental impact to the extent possible, we strive to maintain the best balance between the benefits of our business activities to society and their environmental impact.



Photo© ITTO/TJ Bruder

7-Eleven store with an air conditioning system using geo-heat



As a measure for reducing environmental impact, the Group adopts energy-saving equipment for new stores and refurbished stores. Leveraging the characteristics of the retail sector, we are also proactively conducting environmental activities in cooperation with customers by selling eco-friendly products, reducing the use of plastic disposable bags, and collecting donations for environmental protection. Moreover, as a corporate group that operates globally, we are implementing forest conservation projects both within and outside Japan to reduce the CO<sub>2</sub> emissions of society as a whole. We are continuing these activities to curb CO<sub>2</sub> emissions from deforestation and forest degradation, which represent one of the factors contributing to climate change; to foster CO<sub>2</sub> absorption by forests; and to secure habitats for diverse living forms.

### Energy Conservation Measures Taken at Stores

Seven-Eleven Japan (SEJ) has been actively opening eco-friendly stores incorporating top lights, solar panels, LED lights and water heaters using exhaust heat from freezers. SEJ has adopted a prefabrication method for these stores which significantly reduces the number of steel frames used compared to the conventional construction method. The number of eco-friendly stores was 490 as of February 28, 2013. Electricity consumption at eco-friendly stores is 30% less than at conventional stores.

Also SEJ can reduce store construction costs by 10% per store by adopting the prefabrication method. In addition, this method reduces CO<sub>2</sub> emissions associated with steel frame manufacturing by 5.8 tons per store. The company has adopted the prefabrication method for 619 stores during the fiscal year ended February 28, 2013, which equates to a reduction of 3,590 tons in associated CO<sub>2</sub> emissions.

### ESTIMATED EFFECT OF SOLAR PANEL AND LED LIGHT INSTALLATION AT SEJ IN THE FISCAL YEAR ENDED FEBRUARY 28, 2013

	Number of stores	Reduction in electricity consumption (thousand kWh)	Reduction in CO <sub>2</sub> emissions (tons)
Solar panels	6,500	15,103	8,443
LED lights	11,256	29,534	16,510
Total	—	44,637	24,953

As a new initiative for the fiscal year ended February 28, 2013, SEJ introduced an air conditioning system using geo-heat at four stores on a trial basis. Through the use of geo-heat, which provides a stable source of natural energy year-round, both the consumption of electricity by air conditioners and CO<sub>2</sub> emissions from them are expected to be reduced by about 30%. Going forward, Seven-Eleven Japan will accelerate the introduction of energy-saving equipment to its stores and explore the implementation of new initiatives.

### TOPICS

#### Formulated CO<sub>2</sub> Reduction Target of around 10% for the Fiscal Year Ending February 28, 2018

The increasing number of stores has been accompanied by an increase in CO<sub>2</sub> emissions. Against this backdrop, in February 2013, Seven & i Holdings announced initiatives to reduce CO<sub>2</sub> emissions by introducing energy-saving equipment and utilizing renewable energy at its stores. The Company estimated the total CO<sub>2</sub> emissions of nine Seven & i Group companies in Japan in the fiscal year ending February 28, 2018, using emissions in the fiscal year ended February 29, 2012 as the base year. We are now taking steps to reduce the estimated total CO<sub>2</sub> emissions figure for the fiscal year ending February 28, 2018 by 10%.

### Supporting Agriculture and Utilizing Food Waste

The agriculture environment in Japan has faced a major turning point, brought about by the aging of farmers, increase of farmland that is no longer cultivated, and amendments to the Agricultural Land Act.

Ito-Yokado (IY) has responded by establishing “Seven Farms” in different areas throughout Japan. “Seven Farms” aim to contribute to the revitalization of regional agriculture and improvement of agricultural productivity while utilizing food residue from stores. IY turns the food residue from its stores into compost and cultivates crops using the compost at its dedicated “Seven Farms.” The harvested crops are sold mainly at neighboring stores. There are seven “Seven Farms” (approx. 50 hectares in total) across Japan as of February 28, 2013. The number of the farms is planned to be increased to 10 by February 28, 2014.

## Coexisting with Local Communities

As the number of elderly people in Japanese society continues to increase while the number of children declines, we hope to make our stores part of the infrastructure of daily lives so they can be useful to customers in diverse ways. These include providing new types of shopping services and conducting corporate citizenship activities that make use of the characteristics of stores which serve as a focal point for many people.



### Supporting Daily Shopping for Those in Need

The number of retail stores has decreased in many areas, along with shrinking public transportation networks in Japan. Increasing numbers of people also feel worried about driving as they age. For these reasons, the number of people who have difficulties with daily shopping has increased, mainly among the elderly, and this has become a social issue. Responding to these social trends, the Seven & i Group companies have been working to create new services for supporting daily shopping.

IY offers the Porter Service, which delivers the products purchased in stores to customers' homes on the same day, and the *Net Supermarket*.

#### SALES FROM NET SUPERMARKET AND CHANGE IN MEMBERSHIP

■ Net Sales (left scale)

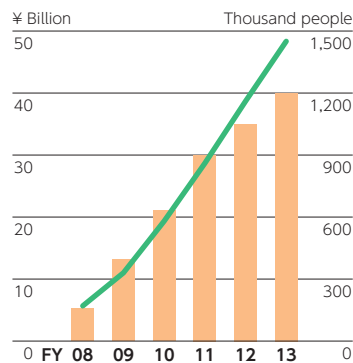
**¥40.0 billion**

(Fiscal year ended Feb. 28, 2013)

■ Number of Members (right scale)

**1,450 thousand people**

(as of Feb. 28, 2013)



SEJ began operating mobile stores called *Seven Anshin Delivery* utilizing proprietary light trucks equipped with store facilities. These mobile stores visit areas that are inconvenient for daily shopping and where many residents are elderly people who have trouble securing means of transportation. Also we have introduced electric mini-cars called COMS to deliver products to customers' homes and



Mobile store (*Seven Anshin Delivery*)

other locations. These electric vehicles offer several advantages. They emit no CO<sub>2</sub> or air pollutants during driving, they are easy to operate with recharging possible using ordinary household power outlets, and they are easy to drive. We plan to increase the number of COMS electric mini-cars so that an even greater number of stores can provide delivery services. By the end of the fiscal year ending February 28, 2014, we plan to deploy COMS at 1,000 stores.



Electric mini-car COMS

### Toward Increasing Japan's Food Self-Sufficiency Ratio

Japan has a low food self-sufficiency rate of about 40%\*. From the standpoint of food security, one major priority for Japan is to increase the food self-sufficiency rate. Notably, there is a need to make better use of rice, given the decline in demand for this staple crop.

The Group companies sell a range of *Seven Premium* products made using domestically produced rice powder. In this initiative, we cooperate with the Komeko Club project implemented as part of the FOOD ACTION NIPPON initiative promoted by the Ministry of Agriculture, Forestry and Fisheries to increase Japan's self-sufficiency rate. By attaching the logo of the Club to the rice powder product packages, the Group contributes to increasing public awareness and consumption of rice powder.

The Group received the Grand Prix Award for the distribution section of Food Action Nippon Award 2012 in November 2012. This award recognized our initiatives to develop products using rice powder and promote them to customers at stores. Furthermore, SEJ received the Excellence Award for the product section in recognition of using domestically produced ingredients for chilled Japanese-style confectioneries.

\* Calculated on a calorie basis.

## Collaborating with Business Partners

The Group has diverse business partners, ranging from agricultural producers and manufacturers to wholesalers and distributors. To achieve CSR at all stages of our business activities, including the provision of safe and high-quality products, the Group aims to build cooperative relations with them as equal partners and promote CSR jointly.



The Group conducts training on relevant laws and regulations and rules. The Group has also formulated the “Seven & i Holdings Business Partner Action Guidelines.” In Japan, we strive to promote our business partners’ understanding of CSR, and have established the Business Partner Help Line outside the Company for exclusive use by our business partners to ensure fair trading with the Group.

### Business Partner CSR Audit

To get a better understanding of our business partners’ CSR initiatives and to promote CSR activities among them, we require the contract manufacturers of our Group’s private brands in Japan to answer and submit a Self-Check Sheet with items related to the Seven & i Holdings Business Partner Action Guidelines. For some factories owned by business partners, outside verification organizations check the status of compliance with the Guidelines based on 142 audit items in 16 categories (see right column) established independently by the Company.

For non-compliance matters found in the audit, corrective measures are implemented pursuant to the Corrective Action

Plan issued by the business partner under the guidance of the verification organization. We issue compliance certificates (valid for three years) for business partners once they have completed implementing the corrective measures.

#### AUDIT CATEGORIES

1. Management systems and code implementation
2. Forced labor
3. Freedom of association
4. Health and safety
5. Child labor and young workers
6. Living wage
7. Working hours
8. Discrimination
9. Regular employment
10. Subcontracting, home working, and external processing
11. Discipline
12. Environment
13. Fair business practices
14. Product safety
15. Security management
16. Community benefits

### PROCESS FLOW OF BUSINESS PARTNER ACTION GUIDELINES OPERATION (FOR SEVEN PREMIUM PRODUCTS)

