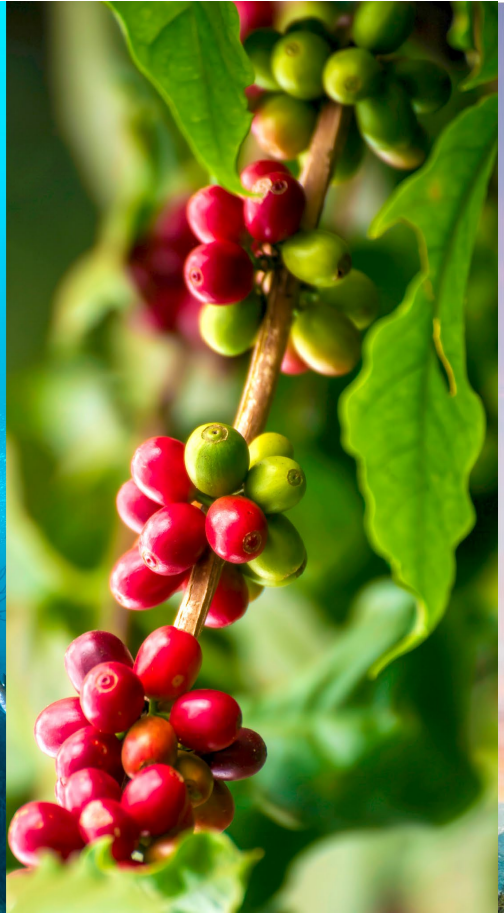

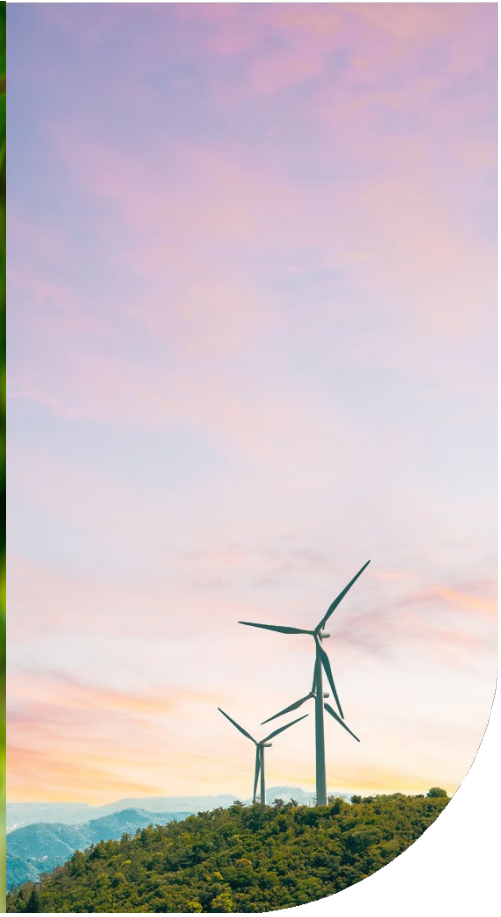

CLIMATE and NATURE Disclosures

Integrated report based on
TCFD/TNFD recommendations

SEVEN&i HOLDINGS

SEVEN&i HLDGS. Co.,Ltd.

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1. Seven & i Holdings' approach to climate change and nature

1.1 Approach to climate change and nature

Climate Nature

Seven & i Holdings (hereinafter, "the Company") along with its consolidated subsidiaries (hereinafter, "the Group"), aims to be a sincere company in line with its corporate creed, earning the trust of all stakeholders, including customers, business partners, franchisees, shareholders, local communities, and employees. We have achieved sustainable growth while generating numerous innovations to provide merchandise and services tailored to customers' lifestyles that enrich their lives.

As environmental issues that include climate change and degradation of nature along with social and community issues become more evident, companies are being urged to help resolve these challenges. The Group aims to achieve sustainable corporate growth and build a sustainable society by helping to resolve social issues through its core businesses including stores, merchandise, and services. To achieve this, the Group has identified the Seven Material Issues[*1] to be prioritized for the kind of society it should realize, with Material Issue 3 being "Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts."

In May 2019, the Company formulated and announced its GREEN CHALLENGE 2050[*2] environmental declaration to advance efforts. Toward a transition to three forms of society, namely, a decarbonized society, a circular economy, and a society in harmony with nature, goals and visions have been set for 2030 and 2050 in four fields—reduction of CO_2 emissions, measures against plastic, measures against food loss and for organic waste recycling, and sustainable procurement. To achieve these goals, effective initiatives are being promoted across the Group.

In October 2024, we reaffirmed our existing approach and initiatives regarding nature and biodiversity, and formulated the Seven & i Holdings Nature Policy to make clear the Group's proactive approach to achieving nature-positive results. In formulating this policy, steps that the Group will take to achieve nature positive have been compiled based on the AR3T framework (Avoid, Reduce, Restore, Regenerate, and Transform) outlined in the SBTs for Nature[*3].

Seven & i Holdings Nature Policy (Main points)

1) We strive to understand our relationship with nature
2) We value nature and strive to avoid and/or minimize negative impacts on nature
3) We contribute to the recovery, restoration, and regeneration of nature and biodiversity
4) We embrace innovation and co-create value with all stakeholders to contribute to nature
5) We value highly transparent, trustworthy and sincere disclosure and reporting

➢ Read the full text here

*1 Click here for the Seven Material Issues

*2 Click here to read the GREEN CHALLENGE 2050 environmental declaration

*3 SBTs for Nature: Targets set that are science-based and nature-related. Refers to a framework and technical guidance that encourage companies and cities to set nature-related targets that are science-based

1.2 Disclosure of environmental management information

Climate Nature

The Group believes that addressing climate change and nature will help prepare for and prevent issues that threaten the daily lives of customers and local communities, such as the growing number of natural disasters and the increasingly unstable sourcing of raw materials.

Climate change and nature are interrelated. For example, while climate change can lead to the degradation of natural resources such as water and soil, conservation of nature such as forest preservation can serve as a mitigation measure for climate change by maintaining CO_2 absorption sources. For this reason, we believe it is essential to take a broad, integrated approach, recognizing the complex relationship between climate change and nature that helps create win-wins and trade-offs between the two. In the area of raw material sourcing in particular, we recognize that the issue of dependencies and impacts on nature, which has not been adequately taken into account in previous analyses related to climate change, has become increasingly serious in recent years. In addition to considering the impacts of climate change and natural degradation on the Group, it is also important for us to consider the impacts of the Group's businesses on climate change and nature, which is why we conducted our analysis based on the concept of double materiality.

With this understanding, as a first step toward addressing climate change and nature in an integrated manner from a business strategy perspective, this report strives to conduct a comprehensive analysis of climate change and nature.

1.3 Progress in climate change and nature-related information disclosure

Climate Nature

With regard to issues of climate change, we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (hereinafter, "TCFD") in August 2019 and began analyzing business risks and opportunities as well as considering countermeasures based on the TCFD recommendations. In FY2019-21, scenario analysis was conducted targeting the domestic convenience store operations (hereinafter, "domestic CVS operations," with target operating company SEVEN-ELEVEN JAPAN CO., LTD. [hereinafter, "SEJ"]) and results of the analysis were disclosed, enabling us to gain certain suggestions regarding risks peculiar to the CVS operations. In FY2022, scenario analysis was conducted on the superstore business (hereinafter, "SST business," with target operating companies Ito-Yokado Co., Ltd. and York-Benimaru Co., Ltd.) as domestic operations with similar geographical conditions, and the results of that analysis were disclosed. In FY2023, 7-Eleven, Inc. (hereinafter, "SEI") conducted scenario analysis in the overseas convenience store operations (hereinafter, "overseas CVS operations") using FY2022 data.

With regard to nature, we participated in the TNFD Forum in January 2023 and the SBTN Corporate Engagement Program[*1] in February 2023, and registered as a TNFD Adopter in March 2024. In September 2024, we disclosed for the first time results of progress in our analysis using the LEAP Approach recommended by the Task Force on Nature-related Financial Disclosures (hereinafter, "TNFD"), including results of the Scoping (selection of the evaluation scope), Locate (finding interfaces with nature), and Evaluate (evaluating dependencies and impacts) phases.

In FY2025, we aimed to provide integrated disclosure focusing on matters common to both climate change and nature, to further advance our response to climate change and nature in an integrated manner from the perspective of business strategy.

*1 SBTN Corporate Engagement Program: 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 businesses in their use of nature.

■Progress of TCFD and TNFD responses

	TCFD	TNFD
FY2019 to FY2021	● Endorsed the TCFD recommendations ● Conducted scenario analysis (Domestic CVS operations) → Deepened analysis in FY2021 ● Made first disclosure	
FY2022	● Updated disclosure content for domestic CVS operations (Website, Management Report) ● Conduct scenario analysis for SST operations	● Participated in TNFD Forum ● Participated SBTN Corporate Engagement Program ● Started collecting date and taking necessary actions for disclosure in accordance with the TNFD
FY2023	● Disclosed transition plans (Website) ● Disclosed results of SST operations analysis (Website, Management Report) ● Update scenario analysis and checked progress on countermeasures ● Conducted scenario analysis for overseas CVS operations	● Continued collecting data and taking necessary actions for disclosure in accordance with the TNFD
FY2024	● Disclosed results of overseas CVS operations analysis (Website, Management Report, Securities Report) ● Updated scenario analysis and check progress on countermeasures	● Registered as a TNFD Adopter ● Analyzed the Group's dependencies and impacts on nature (Scoping) ● Consider approach to nature policy ● Disclose results of analysis (Website, Management Report)
FY2025～	● Progress review of countermeasures ● Identification of issues for integrated analysis	● Disclosure of analysis results based on the LEAP approach for coffee and rice ● Consideration of the direction for countermeasures
	Integrated analysis and disclosure of climate change and nature	

2. Assumptions for this report

2.1 Scope of disclosure, scenarios, and time horizons

Climate Nature

■Scope of disclosure, scenarios and time horizons

Scope of disclosure	Climate	Conduct scenario analyses for domestic and overseas CVS operations, including the direct physical impacts on stores, costs incurred for store operations, merchandise supply chains (raw materials, factories that manufacture merchandise, merchandise shipping, etc.) that significantly affect store operations, and customer behavior, and disclose climate change risks, opportunities, and countermeasures that are identified.
	Nature	Evaluate the relationship between the Group's businesses and nature, and as the Group operates businesses focused on food, disclosure for this evaluation to cover risks, opportunities, and countermeasures related to agricultural products.
Scenarios	Climate	Two scenarios, a decarbonization scenario (1.5°C to 2.0°C) and a warming scenario (2.7°C to 4.0°C), have been set with reference to future forecast reports issued by governments and international organizations, including STEPS[*1], APS[*2], and NZE2050[*3], indicated in the World Energy Outlook of the International Energy Agency (IEA). Business growth rate as of 2030 to be taken into account. **●Decarbonization scenario (1.5°C to 2.0°C)** A world assumed in which various laws and regulations have been introduced toward achievement of the 1.5°C target, whereby the cost of compliance with these laws and regulations increases store operations costs and requires a diversification of our portfolio. **●Warming scenario (2.7°C to 4.0°C)** A world assumed in which the frequency and severity of natural disasters rise and weather patterns change significantly, with potential to result in damage to stores and other facilities, impact procurement of raw materials, and increase air-conditioning costs in stores due to higher temperatures.
	Nature	Of the two scenarios presumed in the TCFD analysis, multiple external environment patterns falling within the range of the "Warming scenario (2.7°C–4°C)" were assumed.
Time horizons	Climate	Based on the impact expected in 2030, which is the interim target-setting period for GC2050, risks, opportunities, and countermeasures were examined. In case of overseas CVS business, short-term (0–5 years), medium-term (5–10 years), and long-term (10–30 years) timeframes were applied to the analysis..
	Nature	In order to grasp the long-term trends that will determine the success or failure of procurement, the period covered will be set to 2050, the time horizon when risks and opportunities will become apparent, and specific countermeasures will be considered with a short-term target of 2030-35, the same period as the TCFD analysis.

*1 STEPS: Stated Policies Scenario. This is one of the scenarios presented in the International Energy Agency's (IEA) World Energy Outlook 2019. It reflects the decarbonization policies and targets that have been publicized so far.

*2 APS: Announced Pledges Scenario. A scenario that assumes all climate-related commitments made by governments announcing includes long-term targets of net zero emissions are fulfilled in full and on time.

*3 NZE2050: Net Zero Emissions by 2050. This is one of the scenarios shown in the IEA's World Energy Outlook 2020. Surpassing the Paris Agreement target, this scenario aims for net zero CO_2 emissions before 2050 toward achievement of the 1.5°C goal.

2.2 Consideration into the geographic uniqueness of nature

Nature

Many nature-related issues vary greatly depending on the location, and the essential quality and importance of risks and opportunities differ. For this reason, when analyzing agricultural products in this report, we have endeavored to more accurately grasp the nature-related risks in the production areas by looking at the relevant production areas of the agricultural products in as narrow an area unit as possible.

3. Governance

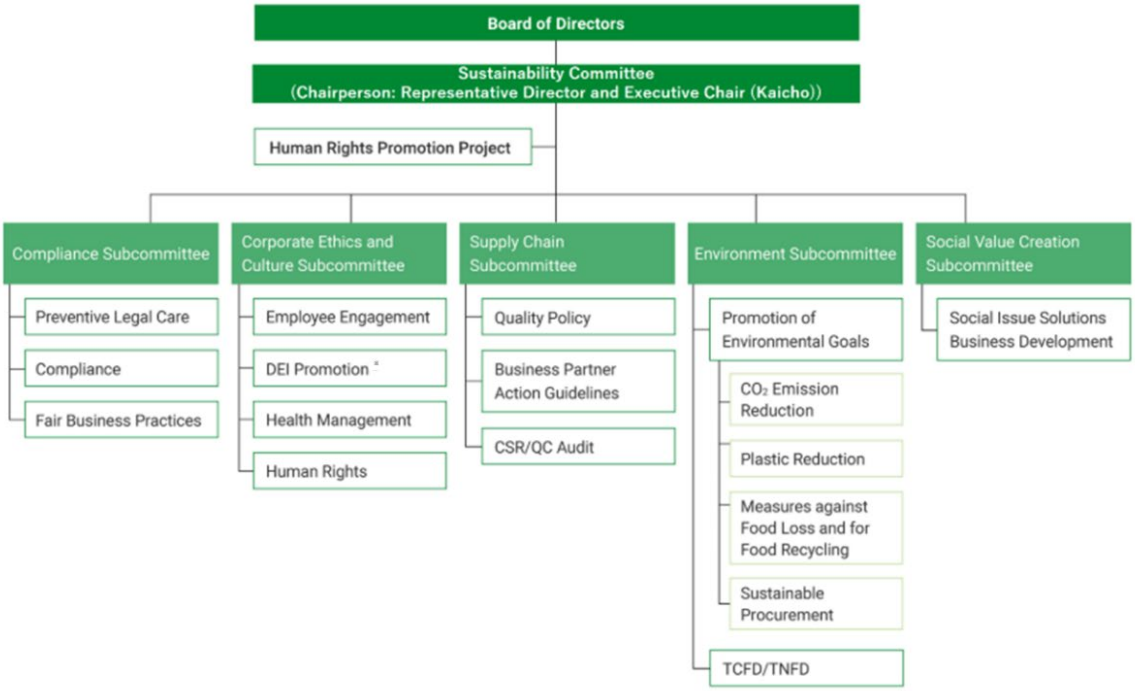
(As of September 2025)

3.1 Sustainability management

Climate Nature

The Group considers sustainability issues, including climate change and nature, as important issues to be tackled across the Group companies. To address these issues, we have established a governance structure centered on the Sustainability Committee and supervised by the Board of Directors.

■Sustainability promotion structure



*DEI: Diversity, Equity, and Inclusion. Promotes a diverse organization that respects individual differences and emphasizes fairness

3.2 Supervisory structure

Climate Nature

The Company's Board of Directors makes resolutions on important sustainability-related issues, including climate change and nature, and is provided with reports on the status of initiatives at least once a year by the Sustainability Development Office, which serves as the secretariat for the Sustainability Committee so that it can monitor the progress and achievement of targets.

■Past key sustainability-related resolutions (examples)

●December 2020, May 2021

The Board of Directors passed resolutions to revise the CO_2 emission reduction target in our environmental declaration GREEN CHALLENGE 2050 as follows, in line with the decision by the Government of Japan for achieving net-zero by 2050.

・December 2020: Revised target to a 30% reduction in CO_2 emissions by 2030 and achieving net-zero emissions by 2050.

・May 2021: Revised target to raise reduction to 50% by 2030.

●August 2024

To promote the reduction of CO_2 emissions by expanding procurement of renewable forms of energy (hereinafter, "renewable energy") to supply to the Group's operating companies, resolution was passed to establish a new retail electricity company, Seven & i Energy Management Co., Ltd.

3.3 Execution structure

Climate Nature

To advance the addressing of sustainability issues, the Company holds a Sustainability Committee meeting twice a year. The committee is chaired by the Representative Director & Executive Chair (Kaicho), and is comprised of sustainability promotion officers of Group companies (such as the Representative Director & President) and managers of relevant departments in the Company. The Committee has established under it the Environment Subcommittee to address issues related to climate change and nature.

It is also important in nature-related efforts to respect the human rights of all stakeholders, including local communities, indigenous peoples, and stakeholders with potential to be affected. In order to understand the human rights of all people and fulfill our responsibility to respect human rights, the Group established the Seven & i Holdings Human Rights Policy in October 2021, and launched the Human Rights Promotion Project as a cross-Group organization to promote the Human Rights Policy as a Group, and ongoing efforts are being implemented.

■Members and roles of main climate change and nature-related meetings

Name	Roles	Members
Sustainability Committee	● Held twice a year ● Share trends and initiatives related to sustainability indicators (such as CO_2 emissions) related to climate change, nature, human rights, etc. ● Approve and provide guidance on initiatives implemented by subcommittees and Group companies	● Chair: Representative Director & Executive Chair (Kaicho) of the Company ● Members: Sustainability promotion officers of Group companies (such as the Representative Director & President), and managers of sustainability-related departments in the Company
Human Rights Promotion Project	● Held twice a year ● Promote human rights due diligence initiatives, including identifying business-specific human rights issues, corrective actions, regular monitoring, and information disclosure ● Plan and propose initiatives, check progress	● Members: Chairs of four subcommittees under the Sustainability Committee (Environment Subcommittee, Corporate Ethics and Culture Subcommittee, Compliance Subcommittee, Supply Chain Subcommittee), human rights officers in the Corporate Planning Division, Corporate General Affairs & Legal Division, Human Resources Division, Group Merchandise Strategy & Planning Division, and Sustainability Development Office
Corporate Ethics and Culture Subcommittee	● Held twice a year ● Promote activities to spread the Company's corporate creed and philosophy ● Advance initiatives to create a rewarding workplace and improve the work environment	● Subcommittee Chair: Head of the Company's Human Resources Division ● Members: Personnel-related department managers from each company
Supply Chain Subcommittee	● Held twice a year ● Improve level of quality control Promote sustainable business practices of business partners and implement CSR audit programs	● Subcommittee Chair: Head of the Group's Merchandise Strategy & Planning Division ● Members: Department managers involved in merchandise purchasing strategies at each company
Environment Subcommittee	● Held twice a year ● Promote GREEN CHALLENGE 2050 initiatives ● Promote addressing climate change and nature ● Developing Responses to TCFD/TNFD Recommendations	● Subcommittee Chair: Head of the Company's Sustainability Development Office ● Members: Innovation team leaders, managers of environment departments from each company

Innovation Teams to promote GREEN CHALLENGE 2050	● Established under four themes (teams for reduction of CO_2 emissions, measures against plastic, measures against food loss and for organic waste recycling, and sustainable procurement) ● Set action plans and KPIs to achieve goals and monitor progress ● Share information on initiatives	● Leaders: Managers of related departments at Group companies ● Members: Persons in charge of related departments at Group companies

3.4 Linking compensation to non-financial indicators

Climate Nature

The Company has implemented performance-based and stock-based compensation for Directors (excluding Outside Directors) residing in Japan. Aiming for a balance of corporate value and social value, we have added the CO_2 emissions reduction target set out in our environmental declaration GREEN CHALLENGE 2050, formulated in May 2019, as a KPI for performance-based and stock-based compensation since FY2020.

In addition, to further advance the creation of an environment that allows various human resources to exercise their abilities and to strengthen corporate competitiveness by increasing employees' motivation to contribute, we have added employee engagement as a KPI for said compensation from FY2022.

➢ Click here to learn more

4. Strategy

4.1 Risk and opportunity analysis

Climate Nature

The climate change and nature-related significant risks and opportunities identified through the analysis are as follows:

■Significant risks identified

Risk / opportunity classification		Category	Type	Assumed scenario	Significant risks/opportunities identified
Physical risks	Acute	Climate	Direct operations	Warming scenario	● Increased frequency and intensity of severe natural disasters, resulting in store damage, merchandise damage, supply chain disruptions, blocked store access, lost in sales due to store closures, and increased losses due to restoration costs and others
		Climate	Raw materials		● Disruptions in the supply chain due to changes in precipitation and weather patterns, an increase in water-related risks within the supply chain, and a rise in product costs caused by reduced harvest yields of raw materials
	Chronic	Nature	Raw materials		● Increases in procurement and labor costs due to longer working hours for our procurement staff and higher costs of raw materials for merchandise caused by reduced yields and quality due to changes in precipitation and weather patterns, and outbreaks of pests and diseases
Transition risks	Policy	Climate	Direct operations	Decarbonization scenario	● The global introduction of emissions regulations and carbon pricing, such as carbon taxes, resulting in a cost burden for CO2 emissions from store operations and increased costs in the supply chain that will affect products and other items
		Climate	Direct operations		● Overseas CVS operations: Increased regulation around product waste (EPR) related costs (mid-term)
	Market	Climate	Direct operations		● An increase in electricity costs due to higher retail prices from renewable energy adoption and other factors
		Climate	Direct operations		● Overseas CVS operations: Especially in the decarbonization scenario, lower demand for petroleum-based fuels owing to changing consumer preferences, adoption of new technologies, and improved fuel efficiency, resulting in a decrease in revenues from petroleum-based fuels (long-term)
		Climate	Direct operations	Warming scenario	● An increase in air conditioning operation costs and refrigeration equipment operation costs due to global temperature rise
	Reputational	Climate Nature	Direct operations		● Procurement shortages and lower quality of raw materials caused by climate change will impede quality assurance of merchandise and lead to a decline in brand value and customer satisfaction
		Nature	Raw materials		● Decrease in sales due to reputational risk arising from procuring raw materials with lack of consideration for the environment or human rights (e.g., deforestation, environmental destruction of land, infringement of the rights of indigenous peoples and local residents, child labor, forced labor, etc.)
	Liability	Nature	Direct operations		● Increased costs of complying with nature-related or/and environment regulations, fines and penalties due to insufficient compliance

■Significant opportunities identified

Risk / opportunity classification		Category	Type	Assumed scenario	Significant risks/opportunities identified
Business performance	Market	Climate	Direct operations	Warming scenario	● Customers seldom going out during summer season due to high temperatures, which will boost demand for delivery and e-commerce services
		Nature	Raw materials		● Development of new markets by utilizing sustainable alternatives and new merchandise development using different varieties
	Market Reputational	Climate Nature	Direct operations	Decarbonization scenario	● Increase in consumer interest for sustainable merchandise and services
	Market Reputational Resource efficiency	Climate	Direct operations	Decarbonization scenario Warming scenario	● Increased demand for EV charging due to tighter regulations and changing consumer preferences
		Nature	Raw materials		● Establishment of a stable supply system by increasing direct transactions with farmers and building long-term partnerships
		Climate	Direct operations	Decarbonization scenario	● Overseas CVS operations: Reduction in overall energy use by investing in measures to improve energy efficiency (medium-term)
Sustainability performance	Resource efficiency Use, preservation, restoration and regeneration of natural resources	Nature	Raw materials	Warming scenario	● Support for farmers in adopting regenerative agriculture and other practices to conserve biodiversity so as to improve ecosystem services as well as improve and stabilize the yield and quality of raw materials

*Decarbonization scenario: 1.5°C to 2.0°C rise　Warming scenario: 2.7°C to 4.0°C rise

4.2 Climate change

Climate

Scenario analysis of risks and opportunities related to climate change was performed based on 2.1 Scope of disclosure, scenarios, and time horizons (p. 5), and we identified imposition of carbon tax, damage from natural disasters, and increased raw material costs as significant risks.

■Significant climate change risks, opportunities, and countermeasures

	Significant risks and opportunities identified	Measures
Decarbonization scenario	<Risks> ● The global introduction of emissions regulations and carbon pricing, such as carbon taxes, resulting in a cost burden for CO_2 emissions from store operations and increased costs in the supply chain that will affect products and other items ● An increase in electricity costs due to higher retail prices from renewable energy adoption and other factors. ● Overseas CVS operations: Especially in the decarbonization scenario, lower demand for petroleum-based fuels owing to changing consumer preferences, adoption of new technologies, and improved fuel efficiency, resulting in a decrease in revenues from petroleum-based fuels (long-term) ● Overseas CVS operations: Increase in costs related to Extended Producer Responsibility (EPR) due to product waste regulations (medium-term)	● Promote measures to reduce CO_2 emissions in accordance with the GREEN CHALLENGE 2050 environmental declaration (aiming for a 50% reduction in 2030 from the FY2013 level and net-zero emissions in 2050) ● Promote initiatives and investments to save energy and improve energy efficiency in store ● Aggressively increase the percentage of renewable energy use in stores ● Increase sustainable products and services (low-carbon products, environmentally friendly containers and packaging, PET bottle collection and recycling, certified products, etc.) ● Promote measures to reduce the amount of food waste generated (reduce the amount of food to be incinerated) in accordance with measures against food loss and for food recycling set in the GREEN CHALLENGE 2050 environmental declaration

	Significant risks and opportunities identified	Measures
Decarbonization scenario	<Opportunities> ● Increased consumer interest in sustainable products and services ● Increased demand for EV charging due to tighter regulations and changing consumer preferences ● Overseas CVS operations: Reduction in overall energy use by investing in measures to improve energy efficiency (medium-term)	● Promote various measures against product packaging in accordance with measures against plastic set in the GREEN CHALLENGE 2050 environmental declaration ● Expand EV charging services at stores (Overseas CVS operations: Plan to increase EV fast-charging ports for the 7Charge EV fast-charging network throughout the United States and Canada in the future)
Warming scenario	<Risks> ● Increased frequency and intensity of severe natural disasters, resulting in store damage, merchandise damage, supply chain disruptions, blocked store access, lost in sales due to store closures, and increased losses due to restoration costs and others ● Disruptions in the supply chain due to changes in precipitation and weather patterns, an increase in water-related risks within the supply chain, and a rise in product costs caused by reduced harvest yields of raw materials. ● An increase in air conditioning operation costs and refrigeration equipment operation costs due to global temperature rise. <Opportunities> ● Customers seldom going out during summer season due to high temperatures, which will boost demand for delivery and e-commerce services	● Develop a contingency plan to be followed during severe weather events such as floods and storms ● Establish a system for information gathering and early recovery in the event of a disaster (such as 7VIEW) ● Ensure stable procurement by expanding procurement sources, such as vegetable plants and land-based fish farms ● Promote energy saving and install energy-saving equipment in stores ● Expand delivery and e-commerce services

4.2.1 Climate change-related risks, opportunities and financial impact

We calculated an estimate for the financial impact of significant risks as of 2030. Financial impact of the significant risks, i.e., imposition of carbon tax, damage from natural disasters, and increased raw material costs, is as follows:

(1) Imposition of carbon tax

For the decarbonization scenario in which various regulations are implemented to achieve the 1.5°C target, carbon tax is projected to have the greatest impact. Based on the IEA's World Energy Outlook 2022, we set the carbon tax rate in 2030 at $135/ton-$CO_2$, took into account business expansion, and calculated the maximum impact based on CO_2 emissions associated with store operations. By pursuing initiatives based on the targets set out in our GREEN CHALLENGE 2050 environmental declaration, the carbon tax burden in 2030 can be substantially reduced. Furthermore, by achieving our 2050 target of net zero CO_2 emissions, we expect that the carbon tax burden will ultimately be eliminated altogether.

Domestic CVS operations	¥14.4 billion
Overseas CVS operations	¥13.3 billion
Total	¥27.7 billion

*Carbon tax amount: $135/ton-$CO_2$ (maximum amount given in the IEA's World Energy Outlook 2022)

*Foreign exchange rate: ¥150/$ (approximate exchange rate as of February 28, 2025)

(2) Damage from natural disasters

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

Store damage, merchandise damage, loss of sales due to closures, restoration costs, etc.	¥11.19 billion

(3) Increased raw material costs

In terms of physical risks and opportunities, the increase in raw material costs due to changes in weather patterns is also expected to have a large impact. SEJ selected rice, laver, and livestock products (beef, pork, chicken, and eggs) as targets based on the composition of purchase amounts. The increases in purchase prices were estimated by assuming that climate change will lower harvest yields and raise prices. These estimates of impact in 2030 were made using a different method than the TNFD analysis described in a later part, and given the current increase in raw material costs, we assume that the actual impact will be even greater and that countermeasures should be strengthened accordingly.

Raw material cost increase for rice	¥2.23 billion
Raw material cost increase for laver	¥1.93 billion
Raw material cost increase for livestock products (beef, pork, chicken, eggs)	¥1.54 billion

4.2.2 Countermeasures

In FY2021, SEJ held extensive discussions with relevant departments to reduce the risks and increase opportunities posed by climate change, and organized the results into approximately 50 countermeasures. Through these discussions, we were able to confirm that environmental impact reduction activities being carried out based on GREEN CHALLENGE 2050 are effective measures in both the decarbonization scenario and the warming scenario.

For example, in response to transition risks, we will significantly reduce the carbon tax burden by achieving the CO_2 emission reduction targets in GREEN CHALLENGE 2050. We will also actively promote CO_2 emission reduction activities, such as energy conservation in stores and the installation of solar panels, thereby mitigating transition risks such as increased electricity bills. Further, we hope to increase our use of renewable energy through Seven & i Energy Management Co., Ltd., which was established in August 2024. In addition, we hope that promoting plastic countermeasures and sustainable sourcing practices under GREEN CHALLENGE 2050 in response to changes in consumer behavior toward sustainable merchandise and services will resonate with customers and grow opportunities.
Similarly, in terms of physical risks, we confirmed that we must actively work to reduce CO_2 emissions in order to achieve the GREEN CHALLENGE 2050 targets. In response to the risk of a greater number of natural disasters, we will obtain real-time information on store status using the information-sharing system SEVEN VIEW, and build a system to ensure rapid recovery. We will also steadily implement measures, such as installing watertight panels to prevent flooding. By enhancing our disaster response capabilities as such, store operations can be resumed as soon as possible so we can continue serving our local customers.

With regard to increased raw material costs, we will work to diversify production areas and strengthen cooperation with domestic and overseas suppliers to ensure a stable supply of raw materials. For example, we will consider increasing procurement of factory-

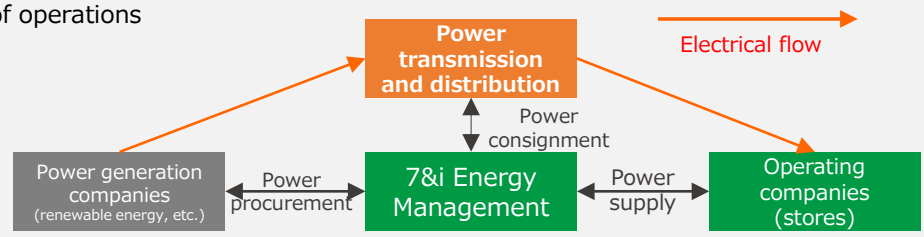
grown vegetables, with which we can expect a stable harvest that is unaffected by weather conditions. Going forward, we will continue efforts in collecting information on producers and production areas and utilize advanced technologies such as digital technology and AI as initiatives to reduce the risk of increased raw material costs.

■Examples of countermeasures

●Seven & i Energy Management Co., Ltd. established to expand renewable energy procurement

The Company established a new electricity retailer, Seven & i Energy Management Co., Ltd., in August 2024 with the aim of increasing our procurement of renewable energy. The Group has thus far worked on renewable energy generation such as by installing solar panels on store roofs and rooftops and with off-site PPAs* for renewable energy supply from solar power plants in remote locations. Going forward, we will further increase our renewable energy ratio through the utilization of renewable energy procured through the new company.

■Image of operations



※ Off-site PPA: An abbreviation for off-site corporate power purchase agreement (PPA), a mechanism in which renewable energy sources, such as solar power generation facilities, are installed off-site a company for the provision of renewable energy power.

●SEVEN VIEW information sharing system for disasters

To counter the risk of natural disasters, SEJ is making use of SEVEN VIEW, developed in 2015, to create a system that will achieve swift recovery. SEVEN VIEW is a disaster prevention system that enables visualization of store status and logistics on Google Map. Information regarding power outages at 7-Eleven stores and icons indicating district offices, factories, delivery trucks, and more, are displayed on the map. By integrating information regarding the disaster, traffic, weather, evacuation, etc. that is issued by specialized organizations with data on the map, the system allows users to check the disaster risk of each store at a glance. The vast amount of information that previously had to be confirmed by each person in charge via phone and email is now centralized, dramatically improving the speed at which situations can be assessed. We are also working with local governments and other organizations for the mutual use of data, aiming for its use as a lifeline, beyond the recovery of our stores. We will continue to enhance capabilities of SEVEN VIEW and develop it into a system that contributes to local communities.

●Procurement of factory-grown vegetables

As a way to ensure a stable supply of raw materials, we are increasing purchase of climate-resistant raw materials, such as factory-grown vegetables. For example, MISATO GREEN BASE, operated by BUTAI FARM Co., Ltd. which is a supplier of SEJ for lettuce, spinach, and other produce, is one of Japan's largest next-generation plant factories, using a combination of natural light and LEDs to grow plants to ensure stable production unaffected by adverse weather.

●Introduction of EV charging stations

SEI recognizes the increase in demand for EV charging due to tighter regulation in the future and changing consumer preferences as an opportunity, and is installing EV charging stations in a portion of its stores accordingly. At the same time, it launched the EV fast charging network and payment app 7Charge™, striving to provide EV drivers with seamless access to chargers and paying using the 7Charge network. 7Charge[*1] is an EV fast charging service publicly available at stores along major highways and in metropolitan areas, and is once again redefining the concept of convenience stores. As of the end of December 2024, a total of 180 charging stations have been installed at 53 stores in eight states and two Canadian provinces. By December 2024, approximately 3.3 million kWh was charged at these charging stations, equivalent to approximately 12 million miles of driving[*2].

EV charging station

*1 Available at most stores with charging stations

*2 Estimate based on a 2019 survey by the U.S. Department of Energy's Alternative Fuels Data Center

➢ Click here to find more initiatives for adaptation to and mitigation of climate change

4.3 Nature

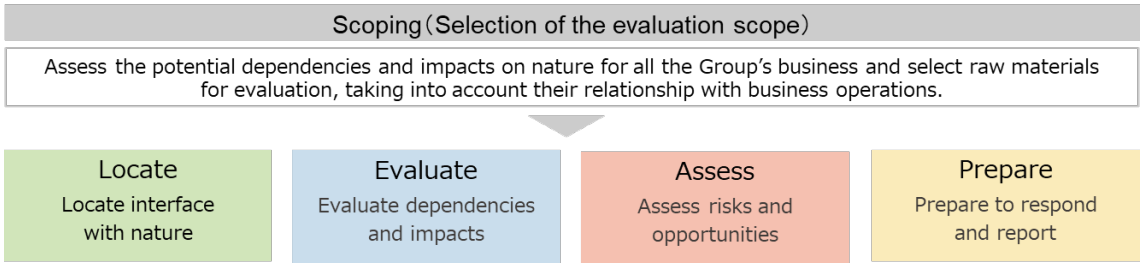
Nature

The Group utilizes and impacts nature, both directly and indirectly, throughout its entire value chain. For example, the retail food industry relies on various benefits from nature, such as abundant water resources for cultivation and pollinators, which are crucial for the procurement of raw materials in upstream supply chains. Additionally, excessive resource extraction and over-application of agricultural chemicals and fertilizers can have detrimental impacts on nature. Concerns are growing that changes in nature may impact business, including difficulties in procuring and using raw materials. To maintain business operations over the medium to long term, we believe it is critical to understand and manage the interactions between business and nature. This involves minimizing the negative impacts of business activities on nature and promoting nature-positive initiatives to halt and reverse nature loss.

4.3.1 Assumptions in the LEAP Approach and overview of evaluation method

In the first half of FY2024, we set the scope of evaluation and identified key raw materials through Scoping (selection of the evaluation scope) in accordance with the LEAP Approach developed by TNFD, then conducted an analysis of coffee beans using the Locate (Locate interface with nature) and Evaluate (Evaluate dependencies and impacts) phases, and disclosed the results. From the second half of FY2024, we conducted a more detailed analysis of coffee and rice, which were identified as key raw materials, in accordance with the framework of the LEAP Approach. This included deepening the Locate and Evaluate analyses for more specific areas and extending the process to Assess (Assess risks and opportunities) and Prepare (Prepare to respond and report) phases.

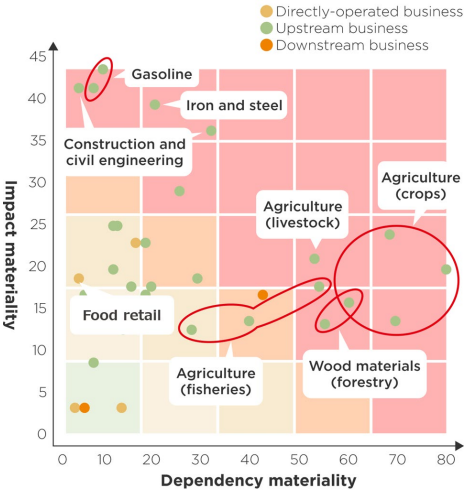
■LEAP Approach



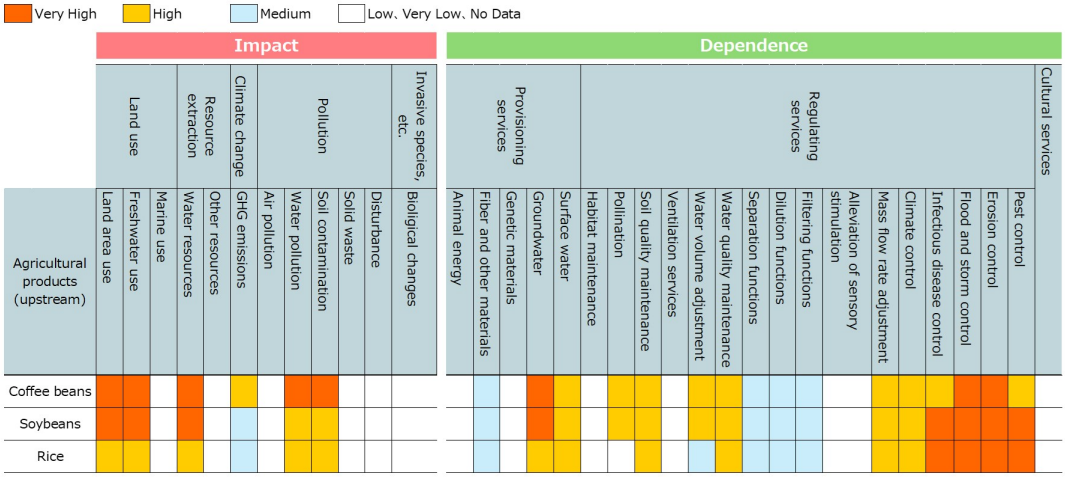
(1) Scope

In the first half of FY2024, we started by surveying all Group operating companies and all related supply chains, from upstream to downstream, to understand how our business is related to nature. When performing the evaluation, we used ENCORE, a tool recommended by the TNFD, to identify the general dependencies and impacts within those companies' industries, and scored the results and mapped them along two axes: dependencies and impacts. Based on the results of the mapping, the Group decided to first focus on agricultural products, as our business is focused on food. From among agricultural products, we selected coffee, rice, and soybeans as key raw materials, as they are handled in large volumes by the Group as a whole and have been indicated as having impacts on nature. We selected two raw materials, coffee, which has a particularly large impact, and rice, which is expected to offer business opportunities, and from the second half of FY2024 decided to conduct more detailed evaluations of their dependencies and impacts on nature in line with the LEAP Approach recommended by the TNFD.

■The Group's main businesses and their dependencies and impacts on nature



■Evaluation of dependencies and impacts on nature of the three raw materials selected as key



※The degree of dependence and impact for each crop are identified based on the ENCORE output results, as well as internal information, various data sources, and academic pap

(2) Target businesses

Scoping (selection of the evaluation scope) targeted the upstream and downstream supply chains of the Group, which fall under direct operations. The analysis of coffee and rice focused on SEJ, SEI, and private brand SEVEN PREMIUM, which source these raw materials. However, for a more detailed analysis, we focused on SEJ, which sources the largest amount for each of the raw materials.

(3) LEAP Approach method

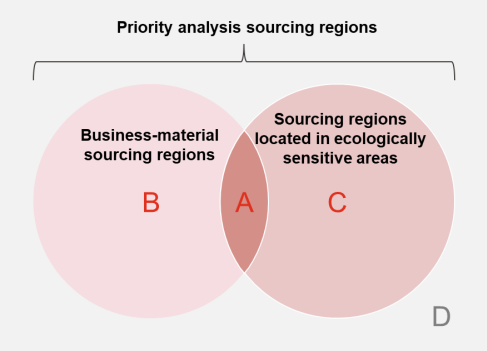
・Locate (finding interfaces with nature)

Based on the LEAP Approach's concept of "priority locations," we identified the priority analysis locations (= sourcing regions) (part A in the diagram) for each raw material, taking into account the two perspectives of ecological sensitivity and business materiality. Ecological sensitivity was evaluated based on the five criteria defined by the TNFD: importance for biodiversity, ecosystem integrity, rapid decline in ecosystem integrity, importance for ecosystem service provision, and high physical water risks. In the evaluation, each

score of 5 for at least one criteria were selected as sourcing regions located in ecologically sensitive areas (part C in the figure).

In evaluating business materiality, sourcing regions were ranked in descending order of the ratio of sourcing they accounted for in the total volume, and those with a total sourcing ratio of 80% were selected as business materiality sourcing regions (part B in the figure).

■Priority analysis sourcing region



	Priority analysis sourcing regions	Evaluation criteria	Priority
A	Sourcing regions located in ecologically sensitive areas and are business material	Falls under both B and C	High
B	Business-material sourcing regions	The degree of impact/ dependency is high, and business materiality is high (ENCORE evaluation results × business materiality evaluation [procurement volume])	Medium
C	Sourcing regions located in ecologically sensitive areas	High ecological sensitivity (Locate phase evaluation results)	Medium
D	Not applicable	Does not fall under A, B, or C	Low

Source: TNFD's "Guidance on the identification and assessment of nature-related issues: the LEAP approach" Version 1.1 October 2023, p. 61

*1 WWF Risk Filters: A free web-based tool for screening and prioritizing biodiversity and water related risks

*2 GIS: Geographic Information System

・Evaluate (Evaluate dependencies and impacts)

We evaluated the dependencies and impacts related to the Group for the priority analysis sourcing regions identified through the Locate phase, taking the following into consideration:

- General dependencies and impacts on nature and the degree associated with the production and sourcing of each ingredient (coffee, rice)
- Specific characteristics unique to the sourcing regions that could alter dependence on and impact on nature (e.g., the presence of indigenous peoples/communities in certain areas).

・Assess (Assess risks and opportunities)

We identified the main business risks and opportunities arising from dependencies and impacts on nature and the external environment that we evaluated in the Evaluate phase, and conducted a qualitative assessment by setting assessment axes for each of the risks and opportunities. As inputs to the assessment, in addition to the results of the dependencies and impacts evaluation described above, we also conducted a simple external environment analysis using the STEEP (Social, Technological, Economical, Environmental, and Political) framework to draw a broader range of risks and opportunities, improve the accuracy of determining the likelihood of risk occurrence, and identify highly feasible opportunities. Risks were assessed along two axes: level of impact and likelihood of occurrence. The level of impact was assessed from the perspective of geographical scope of the risk and difficulty in responding to the risk.

We also conducted a trial calculation of the future financial impact of risks and opportunities that were assessed as particularly significant. We acknowledge that the amount from this calculation of the financial impact cannot be compared with that of TCFD disclosure because the target raw materials and time horizons are different.

・Prepare (Prepare to respond and report)

In order to properly reflect the actual situation of the Group in the analysis results and to formulate effective measures, we are collecting information through workshops and questionnaires involving stakeholders such as the SEJ Merchandising Division, SEI and other operating companies as well as business partners, and are considering various measures. This disclosure describes the direction

for measures currently under consideration.

4.3.2 Analysis of coffee according to the LEAP Approach

(1) Locate (Locate interface with nature)

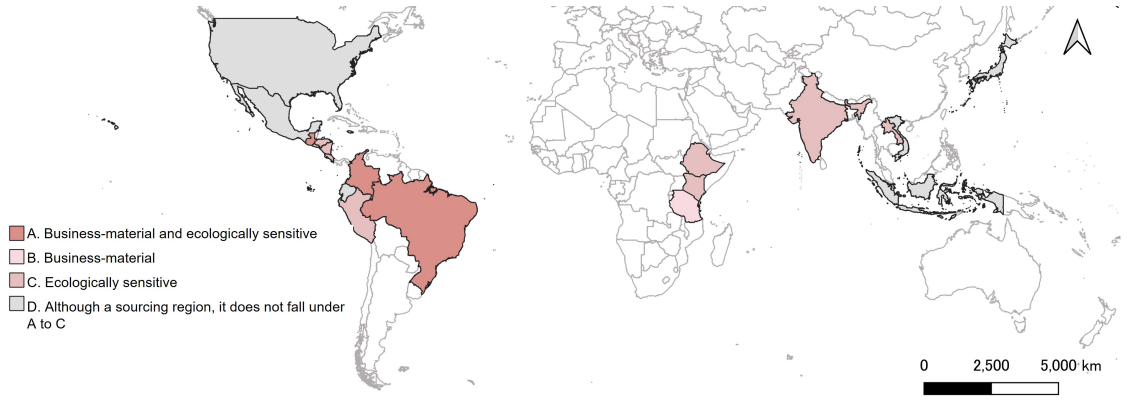
We evaluated and sorted all 20 countries from which we source coffee beans along two axes: ecological sensitivity and business materiality as described in 4.3.1 (3) LEAP Approach method above (p.16). As a result, 13 countries that are located in ecologically sensitive areas or are business material were identified as priority analysis sourcing regions. Of these, we have identified three countries - Brazil, Colombia, and Guatemala - as sourcing regions that meet both of these criteria and should be given particular priority for analysis.

■Results of Locate phase evaluation for coffee bean priority analysis sourcing regions

Legend: VH: Very High | H: High | M: Medium | L: Low | VL: Very Low

Sourcing region	B. Evaluation for business-material sourcing region		C. Evaluation of criteria for ecologically sensitive area						Comprehensive evaluation (priority sourcing region)
	Sourcing volume is in the top 80%	Evaluation	Importance of biodiversity	Ecosystem integrity: Damage to integrity	Ecosystem integrity: Rapid decline	Importance of providing ecosystem services	Physical water risks	Evaluation	
Brazil	○	Applicable						Applicable	A. Business-material and ecologically sensitive
Columbia	○	Applicable						Applicable	A. Business-material and ecologically sensitive
Tanzania	○	Applicable						Applicable	B. Business-material
Guatemala	○	Applicable						Applicable	A. Business-material and ecologically sensitive
Ethiopia	-	Not applicable						Applicable	C. Ecologically sensitive

■Map of priority analysis sourcing regions for coffee beans



(2) Evaluate (Evaluate dependencies and impacts)

Among the 13 priority sourcing countries identified through Locate, we used data from SEJ, which has the highest sourcing volume, to investigate the dependence on and impact on nature of the top five countries with the highest sourcing ratios by country (Brazil, Colombia, Tanzania, Guatemala, and Ethiopia). Items to be investigated were determined by referencing results of ENCORE and information compiled by TNFD and SBTN, and include an evaluation of general dependencies and impacts of coffee, as well as sorting through the ecological and business characteristics of each sourcing region. In addition, the production of coffee beans, which is also listed on SBTN's High Impact Commodity List*1, is generally regarded as high-risk in terms of deforestation, contact with indigenous peoples' lands, and water usage. We therefore mapped the degree of forest canopy loss, residential areas of IPLCs[*2], and physical water risks to visually grasp the risks in each country.

*1 High Impact Commodity List: A list provided by SBTs for Nature of raw materials that are considered to have significant environmental impacts

*2 IPLCs: Indigenous Peoples and Local Communities

■Overall evaluation and regional characteristics (example)

●Overall evaluation

[Dependencies]

Highly dependent on the ability to regulate climate and maintain humidity, fertile soil necessary for coffee bean growth, the water purification ability of plants and microorganisms, and natural disease control functions such as for infectious diseases.

[Impacts]

Impact on water resources is significant as a result of deforestation to increase cultivation areas, greenhouse gas emissions from production activities, and the use of pesticides and chemical fertilizers.

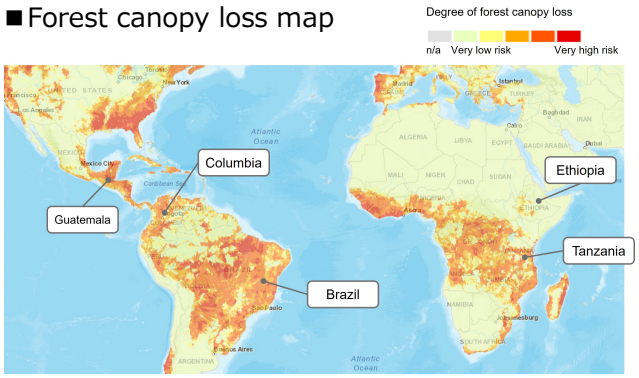
For example, the global average water footprint of coffee is said to be 140 liters for one 125 ml cup of coffee, putting it in the top 20% of water footprints (per unit weight) for primary crops as indicated by the Food and Agriculture Organization (FAO) of the United Nations. It can therefore be said that the process of coffee bean production has a large impact on water resources.

●Regional characteristics (examples)

[Brazil]

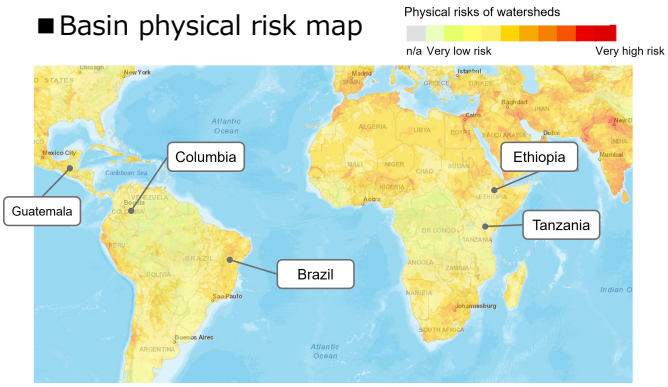
With regard to dependencies, there is heavy dependence on climate regulation services, with droughts having had a large impact on coffee flowering in the past with some cases resulting in reduced production. In terms of impacts, forests have been developed for coffee bean production, and the degree of forest canopy loss, which has a significant impact on land alteration. While there are scattered IPLCs settlements, water risks are not very high.

■Forest canopy loss map



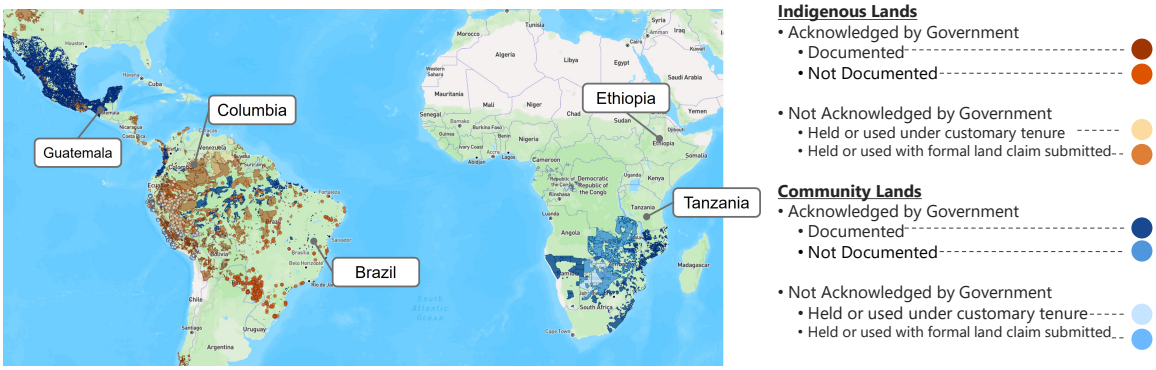
Source: WWF Biodiversity Risk Filter

■Basin physical risk map



Source: WWF Water Risk Filter

■IPLCs land area map

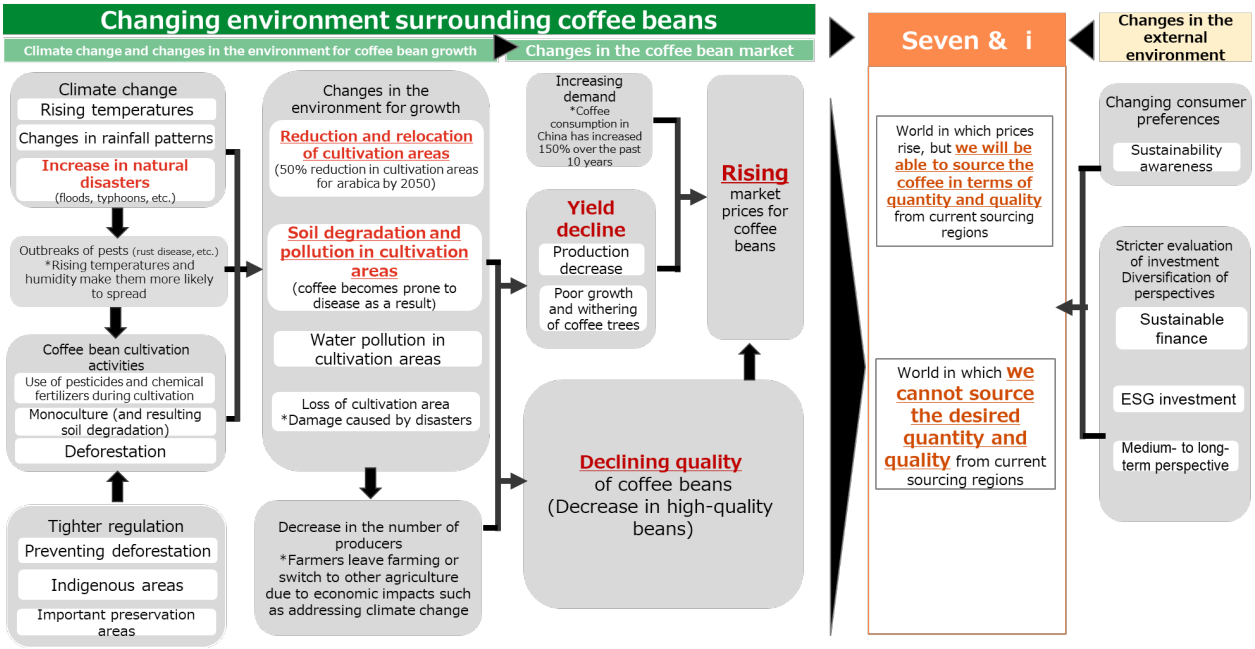


Source: LandMark

(3) Assess (assessing risks and opportunities)

Using dependencies and impacts on nature in each area evaluated in the Evaluate phase and conducting a simple external environmental analysis of coffee bean production, we determined paths leading from dependencies and impacts on nature to risks and opportunities.

■The external environment surrounding coffee beans



After analyzing the risks and opportunities for coffee beans in relation to the external environment described above, we found that there is a particularly high risk of reduced yields due to shrinkage and changes in areas suitable for cultivation caused by rising temperatures and changes in rainfall patterns. Other risks identified include a decline in quality and yield due to outbreaks of pests and diseases, the cost of complying with environmental regulations, and reputational damage due to procuring coffee that is produced using methods that involve environmental destruction or infringing on IPLCs land rights. In conducting risk assessment, we held meetings for opinion exchange with four SEVEN CAFÉ business partners, and strived to conduct assessment that took into account local situations (p.23: Hosting Coffee Sourcing Countermeasure Roundtable with SEVEN CAFÉ Partners).

■List of nature-related risks for coffee beans

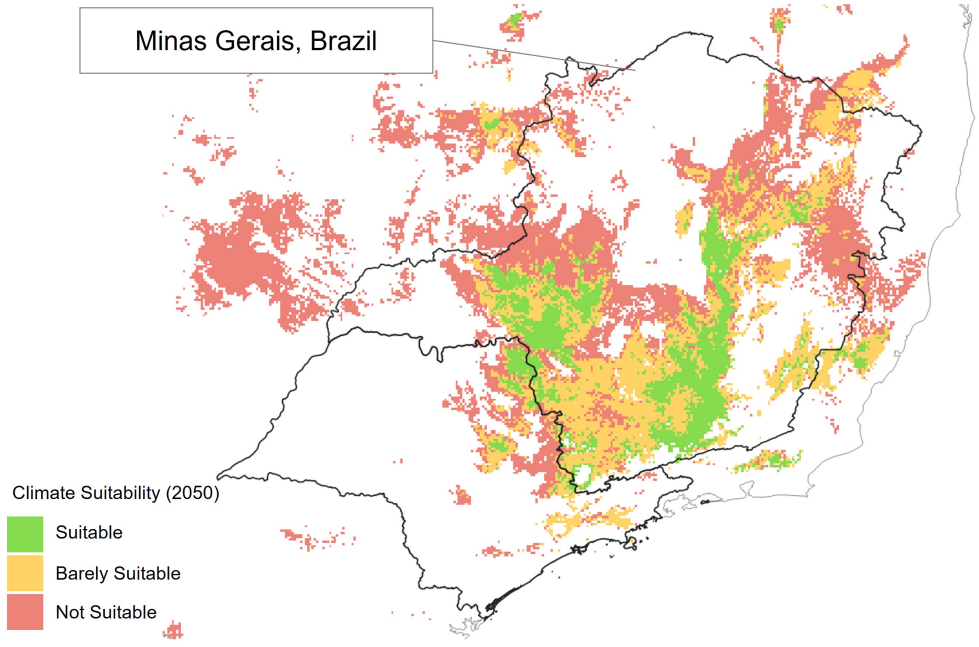
Risk segment	Category	Risk overview		Level of impact			Likelihood of occurrence		
		Impact of changes in the environment and external environment on procurement	Financial impact	Low	Medium	High	Low	Medium	High
Physical risks	Acute	Decline in yield due to natural disasters (e.g., loss of cultivation areas)	·Increased procurement costs (⇒Decrease in sales due to cost pass-through)						
		Decline in yield and quality due to a decrease in suitable cultivation areas due to an increase in pests and diseases associated with climate change	·Increased procurement costs (⇒Decrease in sales due to cost pass-through)						
	Chronic	Decline in yield and quality due to a decrease in suitable cultivation areas caused by changes in temperature and rainfall patterns	·Increased procurement costs (⇒Decrease in sales due to price pass-through)						
		Decline in coffee bean yield and quality due to soil degradation	·Increased procurement costs (⇒Decrease in sales due to cost pass-through)						
		Decline in coffee bean yield and quality due to water pollution	·Increased procurement costs (⇒Decrease in sales due to cost pass-through)						
Transition risks	Reputational	Reputational risk from procuring coffee beans in a way that contributes to deforestation	·Decrease in sales						
	Regulation Liability	Increased operating costs due to stricter natural environment regulations; fines and penalties due to insufficient compliance	·Increased compliance costs						
		Increased compliance costs due to legal regulations regarding forest land conversion risks	·Increased compliance costs						
	Reputational	Reputational risk from procuring coffee produced through methods involving environmental destruction and violation of the rights of indigenous peoples and non-indigenous peoples, as well as child and forced labor	·Decrease in sales						

Of the identified risks, we have grasped decline in yield as the most significant risk, given the nature of the Group's businesses. Therefore, using climate suitability, which indicates the degree to which climatic conditions are suitable for coffee bean production, we analyzed the five countries with high sourcing rates for SEJ, tracing back to the agricultural cooperative and farm levels.

Results of the analysis show that across the five target countries, area suitable for growing coffee beans is expected to decrease by roughly 30% between now and 2050. Furthermore, an analysis at the state level where sourcing regions are located revealed that suitable area could potentially decrease by about as much as 40% in some states. Based on the risks identified by tracing back to the agricultural cooperative and farm levels, we will consider and carry out specific measures that include providing support to our suppliers.

While this analysis targeted SEJ's production areas, there is overlap in Brazil and Colombia as sourcing regions with high sourcing ratios for SEI, and we believe SEI could potentially be exposed to similar risks as identified this time. Going forward, we will deepen our information gathering and analysis on the states and provinces where SEI sourcing regions are located as well, and strive to understand nature risks across the entire Group to develop countermeasures accordingly.

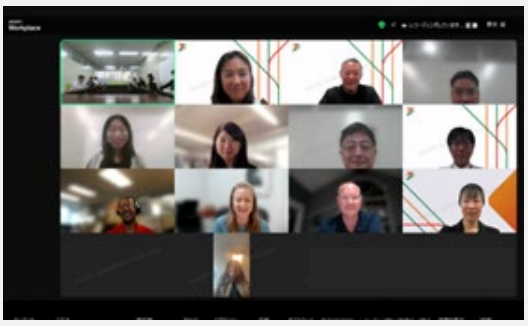
■Simulation of climate suitability in Minas Gerais in 2050



Source: "Projected Shifts in *Coffea arabica* Suitability among Major Global Producing Regions Due to Climate Change"

●Opinion exchange with SEI

Because coffee is also an important raw material for SEI operating in the United States and Canada, three online opinion exchange meetings and workshops were held with sourcing and sustainability team from SEI, SEJ, and SEVEN PREMIUM to identify risks and opportunities and develop countermeasures. Opinion exchange was lively, including for the direction of the Group's overall efforts, information sharing on findings gained from analysis using the LEAP Approach as well as measures currently being implemented to support production areas, and discussion on the implementation of measures common across the Group. We will continue to provide such opportunities in the future and enhance ability of the Group as a whole to respond to natural risks.



Furthermore, we estimated the impact of such yield reduction risks on SEJ under two external environmental scenarios: 1) Coffee bean prices rise, but we are able to continue sourcing the quality and quantity we require from our current sourcing regions; and 2) Coffee beans of the quality and quantity we require can no longer be soured from our current sourcing regions. Even if sourcing continues, it is estimated that sales will fall by approximately 24.5 billion yen due to consumers turning away as a result of price increases. On the other hand, if sourcing itself is not possible in terms of quality or quantity, it is estimated that such decrease in quantity will result in declining sales of approximately 49.7 billion yen. This is an estimate based on currently available data on climate change, and accuracy of the estimate must be further improved. However, we believe that an estimate of the monetary impact will prove to be useful information in considering countermeasures within the Company.

The sales reduction when the required quality and quantity of coffee can be sourced despite soaring prices.	¥24.5 billion
The sales reduction when the required quality and quantity of coffee cannot be sourced.	¥49.7 billion

Meanwhile, opportunities have been sorted as shown in the table below, based on their alignment with our business strategy, feasibility, and compatibility with the Group's businesses. Opportunities identified include increasing consumer brand loyalty through sourcing coffee beans with lower environmental impact, and improving resilience through the implementation of natural disaster countermeasures. We hope to take advantage of these opportunities in the context of countermeasures.

■List of nature-related opportunities for coffee beans

Opportunity segment	Category	Opportunities arising from changes in the environment and external environment	Alignment with business strategy		Feasibility	
			Low	High	Low	High
Business opportunities	Reputational/ Market	Greater consumer brand loyalty and demand for merchandise arising from sustainable sourcing				
	Funds	Procurement of funds from sustainable finance				
	Preservation, restoration and regeneration	Improved ecosystem services and ensuring stable and higher yields through biodiversity conservation activities, such as introducing regenerative agriculture and supporting the development of areas around the farmlands				
	Sustainable use of natural resources	Reduced compliance costs using third-party certification as well as establishing and enhancing traceability systems based on voluntary standards				
	Resource efficiency	Improved resilience and reduced response costs through natural disaster countermeasures				
	Market	Development of new markets by proposing and providing alternatives to coffee, which will become increasingly scarce in the future				

(4) Prepare (preparing for response and reporting)

Based on the risks and opportunities identified in the Assess phase, we determined the direction for measures. To ensure sustainable sourcing and increase business resilience, we recognize the need to consider direction for measures and prioritize measures based on future scenarios and characteristics of risks in each region. Response is also needed from the perspective of addressing the issue of decline in yield and rising prices already taking shape, and a second perspective of a long-term approach looking ahead to 2050. Alongside offering meticulous support to current production areas in addressing challenges they face, we believe it is necessary to take on a long-term approach, such as developing new suppliers, keeping in mind that climate change may turn areas unsuitable for cultivation and make it impossible to continue cultivation there.

Furthermore, we must acknowledge the reality of limitations to what a single company can do to address nature-related risks. Efforts aimed at solving problems through collaboration among many stakeholders, such as with the pre-competitive[*1] concept which aims to jointly expand the scale of efforts ahead of competition, and Landscape Approach[*2], are drawing attention globally. While we already work with business partners in supporting SEVEN CAFÉ's production areas, we will further strengthen collaboration with such stakeholders going forward and advance initiatives that contribute to sustainability of coffee bean sourcing as well as of the global environment and communities.

*1 Pre-competitive: Activities in which companies work together in the pre-competitive stage

*2 Landscape Approach: A method of deriving solutions to problems, holistically dealing with diverse human activities and the natural environment in a defined region or space, primarily based on land and spatial planning. (Ministry of the Environment's "Nature Positive Economy Transition Strategy Roadmap [2025-2030]"). It is treated as one of the key concepts in SBTs for Nature, which provides a framework for companies and organizations to set science-based targets related to nature.

■Direction for measures

Category	Status of efforts	Points under consideration
Supply chain management	Currently underway	● Joint sourcing through cooperation between the Group and business partners, strengthening supply chains
Support for producers and production areas	Currently underway - for future consideration	● Expanding support for solving social issues in production areas, such as improving productivity and providing environmentally friendly equipment, strengthening collaboration with stakeholders ● Support for the introduction of regenerative agriculture ● Landscape Approach through collaboration and cooperation with stakeholders
Cooperation in R&D	For future consideration	● Cooperation in R&D for improving coffee varieties and productivity
Review of supply sources	Currently underway - under consideration	● Advancing diversification of sourcing regions ● Sourcing from regions with minimal changes in climate suitability ● Developing new sourcing regions
Review of raw materials	For future consideration	● Review of coffee varieties and blends used ● Development and introduction of alternative coffee

■Supplier engagement

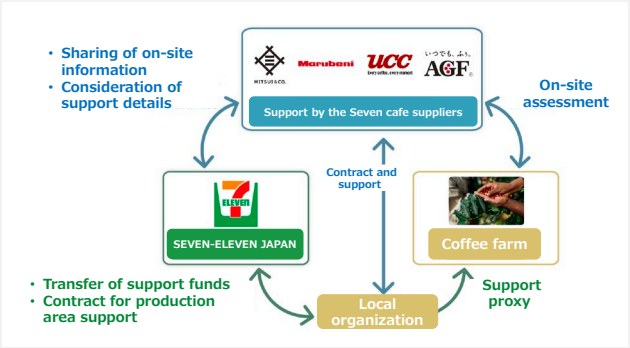
●Hosting Coffee Sourcing Countermeasure Roundtable with SEVEN CAFÉ Partners

The TNFD analysis revealed issues regarding future coffee bean sourcing. So that we can continue providing delicious SEVEN CAFÉ to customers, we held an roundtable with four business partners involved in SEVEN CAFÉ's supply chains (Marubeni Corporation, Mitsui & Co., Ltd., UCC Group [UCC Japan Co., Ltd., UCC Ueshima Coffee Co., Ltd.], and Ajinomoto AGF Inc.). On the day of roundtable, we received feedback on the results from our LEAP Approach, including opinions regarding the risks and opportunities in each major sourcing country and risk reduction measures being taken there. It helped us deepen our understanding of the actual situation regarding risks surrounding coffee production. We also had a lively exchange of opinions regarding measures and ideal cooperation in the future, with discussion of educational activities made possible by the Group's hold on various points of contact with customers and advantages of Landscape Approach. We will continue to hold such discussions going forward through regular meetings between the SEJ Merchandising Division and our business partners.

■Support for coffee producers and production areas (examples)

●Support for SEVEN CAFÉ coffee producers and production areas

At SEJ, we are working on initiatives to support local producers with the aim of achieving sustainable sourcing throughout the entire value chain, from farm to source, import, roasting, and sales. We strive to understand the needs of each production area through dialogue with them in deciding the type of support to provide.



●Brazil

We aim to achieve sustainable coffee bean production by cultivating cover crops, which are plants that help improve soil, as a method of regenerative agriculture, and through initiatives to reduce environmental impact, such as by improving soil fertility, reducing the use of chemical fertilizers, and cutting greenhouse gas emissions.

●Colombia

We are undergoing efforts to conserve water and soil, such as by donating wet mills, a machine that helps save a significant amount of water in the refining process, which involves removal of pulp from coffee cherries to seed drying, with the aim of using less water and electricity and improving harvest yields.

●Tanzania

Over 90% of coffee production is handled by small-scale farmers. In recent years, changes in rainfall due to climate change have made coffee production by small-scale farmers unstable. By donating African beds, which are shelves made for drying coffee beans in the sun, and seedlings for growing shade trees that protect coffee trees from direct sunlight, we aim to improve the quality and yield of coffee and thereby increase farmers' incomes.

■Initiatives by 7-Eleven Australia

●Use of Fairtrade-certified beans

Seven-Eleven Australia (hereafter referred to as SEA), which became our wholly owned subsidiary in 2024, is contributing to addressing challenges in coffee-producing regions, such as climate change and human rights, through the use of Fairtrade-certified coffee beans. SEA sells over 50 million cups of coffee annually, and since October 2022, all of the coffee beans sourced have been Fairtrade-certified. By using Fairtrade-certified beans, SEA not only provides customers with coffee that is environmentally and socially responsible but also supports producers in countries such as Brazil and India, ensuring they work under fair labor conditions and receive fair incomes.

Fairtrade International label

Additionally, through the premiums paid to the communities, SEA contributes to various initiatives, including the cultivation of higher-quality coffee beans, addressing environmental issues such as climate change, and building community infrastructure. This approach helps create a positive impact on both the environment and the livelihoods of coffee producers.

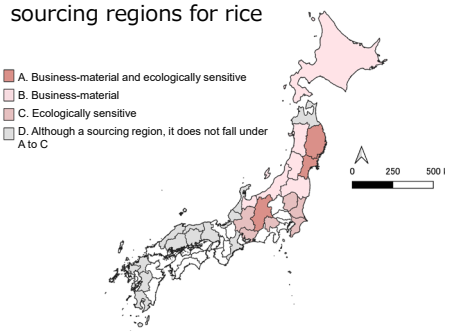
4.3.3 Analysis of rice according to the LEAP Approach

In FY2025, we newly conducted analysis of rice, a raw material also selected as key in 4.3.1 (1) Scope (p.16). Like coffee, rice is used in many of the Group's signature merchandise, such as rice balls and boxed lunches. We focused this analysis on its relationship with nature and considered the stable sourcing of rice as well as how we can contribute sustainable rice production in Japan.

(1) Locate (finding interfaces with nature)

We analyzed the rice sourcing regions of SEJ, which has the highest sourcing volume, at the prefectural level and evaluated them based on two axes: ecological sensitivity and business materiality as described above in 4.3.1 (3) LEAP Approach method (p.16). Iwate, Miyagi, and Nagano prefectures are important production areas for our businesses and we source large amounts of rice from them. These regions are precious in Japan for being ecologically sensitive with precious natural resources intact, and we were able to recognize the importance of taking into account environmental considerations.

■Map of priority analysis sourcing regions for rice



(2) Evaluate (evaluating dependencies and impacts)

Next, based on the ENCORE score, TNFD's sector-specific guidance (food and agriculture sector, beverages sector), and SBTN's High Impact Commodity List, we extracted the influencing factors and ecosystem services that should be focused on for rice, and looked for the dependencies and impacts on nature of producing areas on a prefectural basis. In terms of dependencies, we found that there is high dependency on ability to regulate climate and maintain humidity, as well as natural disease control functions such as for infectious diseases. In terms of impacts, we identified the use of pesticides and chemical fertilizers as largely impacting water resources, as well as methane emissions from irrigation causing significant impact.

■Evaluation results of rice's dependencies and impacts on nature

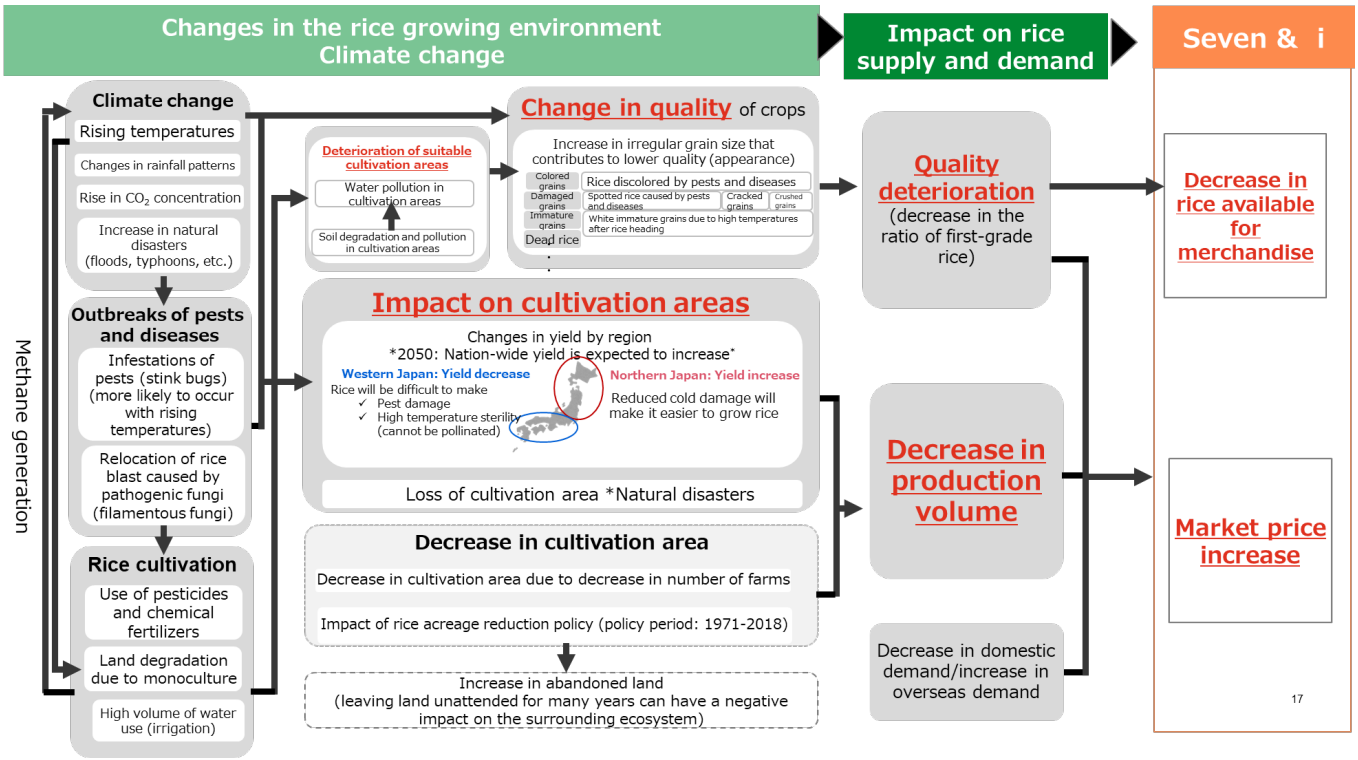
Impact	
Influencing factors	Evaluation results
Freshwater use	Pollutant loads are being released into surrounding bodies of water due to discharge from rice fields.
Land alteration	As demand for rice declines, cultivated land in Japan is decreasing while abandoned farmland is on the rise.
Water resources	A high volume of water is used for irrigating rice fields.
Soil pollution	In rice field soil, available phosphorus and exchangeable potassium tend to accumulate due to long-term fertilization.
Water pollution	Drainage from rice fields increases nitrogen and phosphorus concentrations, causing eutrophication.
Climate change	Rice cultivation has an impact on global warming through methane emissions.

Dependency	
Ecosystem services	Evaluation results
Animal resources	In Japan, almost no animals are used in rice farming.
Climate control	Rice depends on climate being regulated to maintain specific climatic conditions, and rising temperatures will lead to a decline in quality and supply.
Disease prevention	There is dependency on prevention of epidemics such as rice blast.
Flooding and storm protection	Complete submersion of paddies caused by flood damage poses a risk of growth decline, and there is dependency on riverbank plants to prevent such situations.
Groundwater	There is dependency on high volumes of groundwater for rice field irrigation.
Soil stabilization and erosion prevention	There is dependency on water surfaces and rice plants to prevent the erosion of soil by rain and wind.
Pest control	There is dependency on beneficial insects such as spiders and dragonflies that prey on rice pests.
Pollination	Rice is a self-pollinating plant and does not depend on insect vectors.
Soil quality	Rice growth depends on soil with high water retention capacity.
Surface water	Rice fields depend on a high volume of water for irrigation.
Water flow maintenance	Rice fields depend on a high volume of water (and maintaining water flow) for irrigation.
Water quality	The quality of rice growth depends on water quality, and high salt concentrations can inhibit water absorption.

(3) Assess (assessing risks and opportunities)

Using dependencies and impacts on nature evaluated in the Evaluate phase and conducting a simple external environmental analysis of rice production, we determined paths leading from dependencies and impacts on nature to risks and opportunities.

■The external environment surrounding rice



*Source: Ishigooka, Y. "Revision of estimates of climate change impacts on rice yield and quality in Japan by considering the combined effects of temperature and CO_2 concentration"

As a result of analyzing the risks and opportunities for rice based on the above, we recognized that rising temperatures and changes in rainfall patterns will lead to a decline in the ratio of first-grade rice, and that outbreaks of pests and diseases will pose a risk of decline in rice quality.

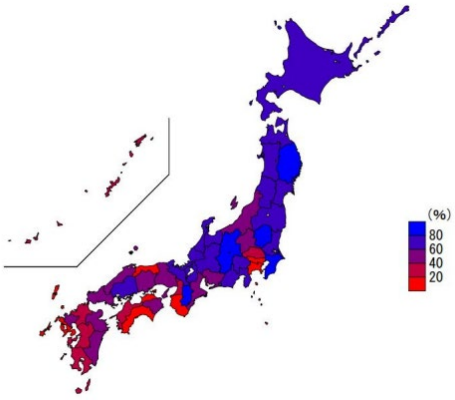
■List of nature-related risks for rice

Risk segment	Category	Risk overview		Level of impact			Likelihood of occurrence		
		Impact of changes in the environment and external environment on procurement	Financial impact	Low	Medium	High	Low	Medium	High
Physical risks	Acute	Decline in yield due to natural disasters (e.g., loss of cultivation areas)	·Increased procurement costs						
	Acute	Decline in yield and quality due to a decrease in suitable cultivation areas due to an increase in pests and diseases associated with climate change	·Increased procurement costs						
	Acute Chronic	Decline in the ratio of first-grade rice due to rising temperatures (decline in quality)	·Increased procurement costs						
	Chronic	Decline in rice yield and quality due to soil degradation	·Decrease in sales ·Increased procurement costs						
Transition risks	Reputational	Reputational risk from procuring rice in a way that contributes to environment impact and to biodiversity loss, such as through the use of pesticides and chemical fertilizers	·Decrease in sales						
	Regulation Liability	Cost increase due to higher rice production costs following the imposition of carbon tax on methane emissions from rice fields	·Increased procurement costs						

Of the identified risks, we have determined based on our analysis that the most significant risk for rice, from the perspective of sustainability of the Group's business, is the decline in rice quality (ratio of first-grade rice). Using future projections for the ratio of first-grade rice as reference, we estimated the financial impact that a decline in the ratio of first-grade rice would have on SEJ, using the upper limit (a large decrease) and lower limit (a small decrease) of the future decline that can be expected in the ratio of first-grade rice. As the ratio of first-grade rice is expected to decline in 2050, it is estimated that the increase in procurement costs in the supply chains to ensure the quality and quantity that are required by SEJ will be approximately 1.3 billion to 32.2 billion yen. As this estimate focuses only on factors related to quality decline, it does not take into account fluctuations in the volume of rice production volume itself, which is likely to be affected by government policy, or temporary declines in quality due to extreme weather. Thus, accuracy of our estimates will need to be improved, but we now have a quantitative grasp on the importance of risks associated with rice sourcing as material to be used for internal discussion.

■Ratio of first-grade rice by prefecture*

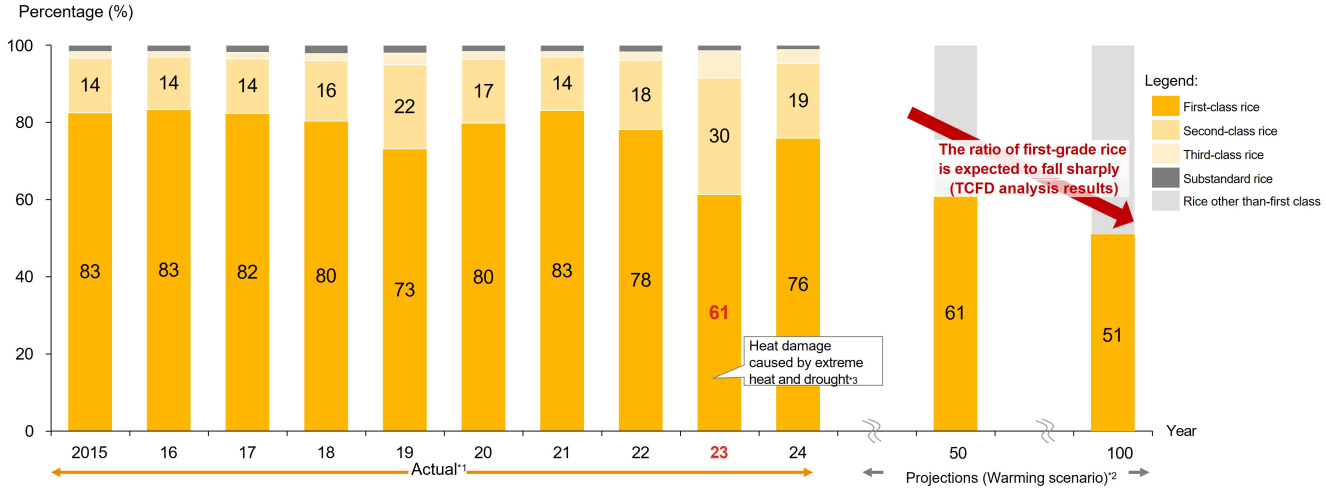
(2050, RCP scenario: RCP8.5)



*Mitsubishi UFJ Research and Consulting's "Report on the 2014 Survey on the Economic Impact of Global Warming on the Agriculture, Forestry and Fisheries Sectors (March 2015)"

Increase in procurement costs in supply chains due to a decline in the ratio of first-grade rice	¥1.3 billion to 32.2 billion

■Trends in the ratio of first-grade, second-grade, third-grade, and substandard rice



* 1 Prepared based on "Results of Agricultural Products Inspection for Rice" (Ministry of Agriculture, Forestry and Fisheries)

*2 "Report on the 2014 Survey on the Economic Impact of Global Warming on the Agriculture, Forestry and Fisheries Sectors" (Mitsubishi UFJ Research and Consulting)

*3 "National first-grade rice production at 59.6% - record low as of September 30th. Ministry of Agriculture, Forestry and Fisheries" (JAcom's agricultural cooperative newspaper)

Based on results of an external environment survey, we also identified opportunities surrounding rice production. Of these opportunities, we have categorized those that are aligned with our business strategy, feasible, and unique to the Group, as shown in the table below.

■Nature-related opportunities surrounding rice

Opportunity segment	Category	Opportunities arising from changes in the environment and external environment	Alignment with business strategy		Feasibility	
			Low	High	Low	High
Business opportunities	Market	Product development utilizing by-products and waste materials				
		Utilization of alternative rice				
		Advancing local production for local consumption through local community hubs				
		Sales with premium prices through agricultural branding				
		Development and improvement of rice blending technology				
		Securing new agricultural workers and retaining resources in the Group. Examples: utilizing abandoned land and solar sharing				
		Development of unique rice varieties and support for their introduction into farmlands				
	Sustainable use of natural resources	Finding better storage methods to maintain quality and improve taste				
		In-house rice production (direct farming/agricultural corporation)				
		Direct contracts with farmers				
		Support and investment for incorporating smart agriculture				
	Funds	Reducing methane emissions from paddy fields is converted into carbon credits and sell.				
		Financial support for producers				
	Preservation, restoration and regeneration	Support for the introduction of regenerative agriculture in production areas				
	Resource efficiency	Improved resilience and reduced response costs through natural disaster countermeasures				

(4) Prepare (preparing for response and reporting)

Based on the risks and opportunities identified in the Assess phase, we determined the direction for measures. To ensure a stable supply of rice well into the future, we believe it is important to assist producers incorporate new farming methods and improve rice varieties, which take time for results to show. Further, we view the export and import of rice and various social backgrounds as factors that should be taken into account when considering measures. We will continue holding dialogue with producers and business partners as we proceed in considering measures.

■Direction for measures

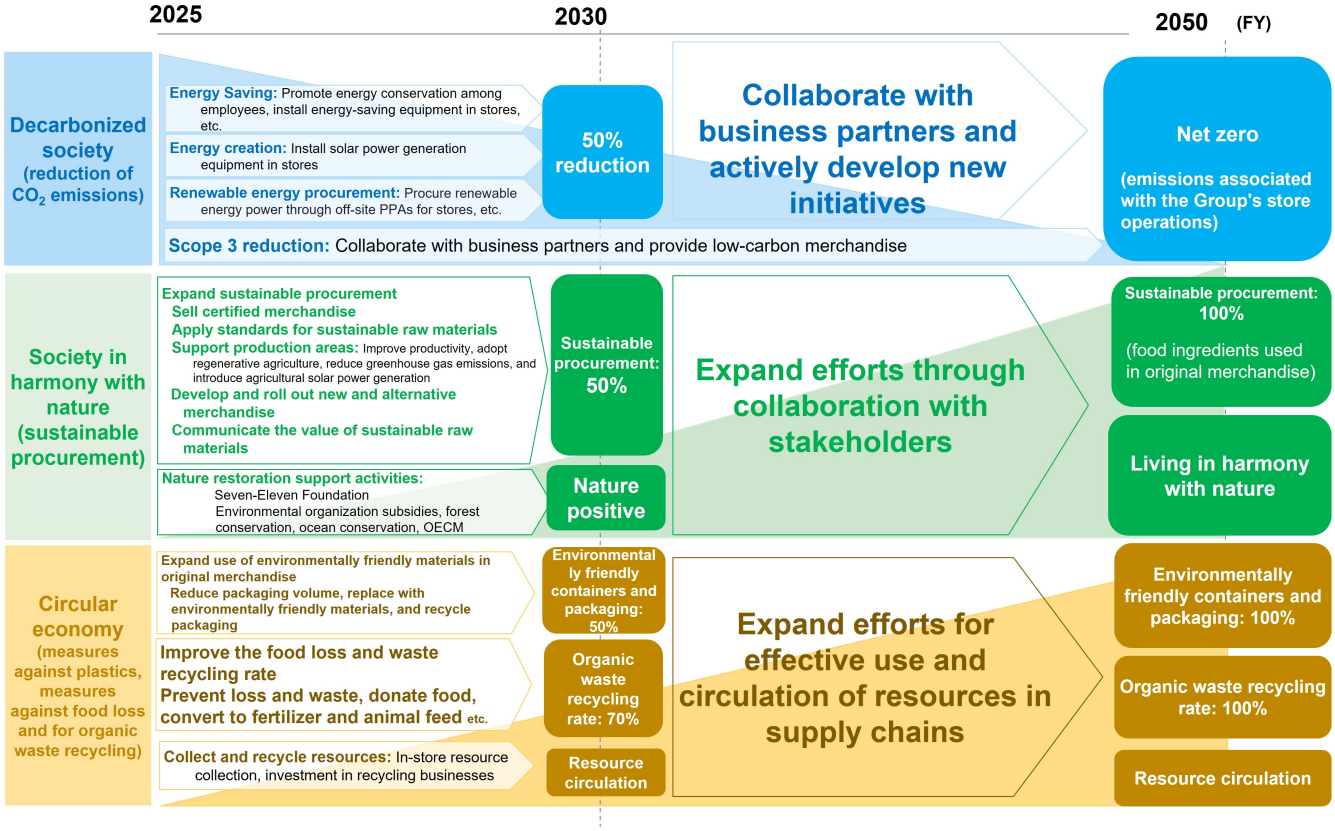
Category	Status of efforts	Points under consideration
Supply chain management	Currently underway	● Improving communication with producers ● Joint sourcing through cooperation between the Group and business partners, strengthening supply chains
Support for producers and production areas	Currently underway – under consideration	● Cooperation in greenhouse gas reduction and promotion of the carbon credit scheme for methane reduction ● Supporting producers' efforts for sustainable agriculture, including heat-tolerant rice cultivation, dry direct seeding, regenerative agriculture, and agricultural solar power generation
Review of supply sources	Currently underway – under consideration	● Advancing diversification of sourcing regions ● Developing new sourcing regions ● Reviewing procurement contracts and participating in the Group's upstream processes
Review of raw materials	Mid- to long-term considerations	● Changes in rice varieties, advances in rice milling and commercialization methods
Taking advantage of opportunities	Currently under consideration – mid- to long-term consideration	● Merchandise branding that is linked to support for production areas ● Exporting merchandise made with high-quality rice ● Utilization of waste and by-products

4.4 Transition plans

Climate Nature

The Group has identified the Seven Material Issues to be prioritized for the kind of society it should realize, with Material Issue 3 being "Realize decarbonization, circular economy, and society in harmony with nature, through environmental efforts." In 2019, we formulated and announced our environmental declaration, GREEN CHALLENGE 2050. Toward a transition to three forms of society, namely, a decarbonized society, a circular economy, and a society in harmony with nature, we have set goals and ideals for 2030 and 2050 in four fields—reduction of CO_2 emissions, measures against plastic, measures against food loss and for organic waste recycling, and sustainable procurement. We are currently working on creating individual roadmaps for the three forms of society we aim to achieve. With regard to nature transition planning in particular, the TNFD has published a discussion paper and pilot testing is underway. We will gain knowledge from this discussion paper and official guidelines that will be released in the future to develop an effective transition plan. Furthermore, just as climate change and nature share a relationship of various win-wins and trade-offs, resource circulation is also closely related to climate change and nature. Going forward, we intend to refine our transition plans to include a comprehensive perspective that takes into account these mutual influences.

■Transition plan for 2050



4.4.1 Climate transition plan

Climate

We recognize that the issue of climate change exerts a negative impact on the stable society that is essential for the sustainable development of companies. We support international policies such as the Paris Agreement, Japan's Nationally Determined Contributions (NDC), and climate change-related laws and regulations (such as the Act on Rationalization of Energy Use and Shift to Non-Fossil Energy and the Act on Promotion of Global Warming Countermeasures), and aim to achieve the greenhouse gas reduction targets set forth in the Paris Agreement. We are advancing initiatives focused on three pillars: energy saving, energy creation, and renewable energy procurement, with the goal of reducing CO_2 emissions generated from store operations by 50% compared to FY2013 by 2030, and achieving net-zero by 2050. We are working to save energy by installing energy-efficient equipment such as LED lighting and reviewing

store operations. The Company plans to advance energy creation by installing solar panels on stores and utilizing storage batteries. With regard to renewable energy procurement, in addition to increasing the use of off-site PPAs, we established a new electricity retailer, Seven & i Energy Management Co., Ltd. in FY2024 with the aim of expanding our procurement of renewable energy power.

We will further strengthen collaboration with our business partners to promote decarbonization throughout the entire value chain. Additionally, we will work to provide low-carbon merchandise in line with resource circulation and nature initiatives, such as by sourcing environmentally friendly containers and packaging as well as using sustainable raw materials.

➢ Click here to see our initiatives for climate change countermeasures

4.4.2 Nature transition plan

Nature

We recognize that nature is one of the most important assets that sustains our businesses, and we would like to contribute to the realization of nature positive - halting, reversing and restoring biodiversity loss - by 2030 and "living in harmony with nature" by 2050, as envisioned in the Kunming-Montreal Global Biodiversity Framework.

First, we are working to expand sourcing of raw materials that takes into consideration the environment and human rights in accordance with our sustainable sourcing principles and policies, with the goal of making 50% of materials for our original brand products sustainable by 2030, and 100% by 2050. Furthermore, we will utilize the framework of the TNFD's LEAP Approach to identify raw materials that are highly dependent and have a large impact on nature, which the Group source in large quantities and should be given priority, and will develop individual countermeasures for these raw materials. Going forward, we will aim to set more nature positive-related indicators through 2030 as we closely monitor the trends of international frameworks and initiatives such as TNFD and the Nature Positive Initiative. We will be adding more depth to our roadmap, such as by looking into setting targets based on the nature monitoring indicators and methods, for which an outline is expected to be solidified by early 2026.

In advancing these initiatives, we will focus not only on cooperation within the Group, but also on cooperating with various stakeholders, including customers, business partners, local communities, NGOs, and government agencies, as we strive to improve quality and widen the scale of our initiatives.

➢ Click here to learn more about our sustainable procurement efforts

■Seven-Eleven Foundation's activities toward becoming nature positive

●Seven-Eleven Foundation's Seven Forest and Seven Marine Forest activities

Since 2006, the Seven-Eleven Foundation, a general incorporated foundation, has been promoting the Seven Forest project, a community-based forestation initiative that brings together industry, government, academia and citizens. The Seven Forest activities not only involve planting trees but also creating healthy forests through undergrowth clearing and thinning. In addition, activities such as "marine forest creation" involving increasing eelgrass, which purifies water, generates oxygen, and reduces CO_2 thereby restoring a rich ocean, are activities carried out not just in the mountains but also in riparian forests, oceans, grasslands, wetlands, and other areas in accordance with the local natural environment and needs.

Activities underway

In September 2023, the Company joined the 30by30[*1] Alliance for Biodiversity, established by the Ministry of the Environment, to contribute to the realization of the 30by30 target, one of the goals of the Kunming-Montreal Global Biodiversity Framework (GBF). In October of the same year, the Hannan Seven Marine Forest, which is carrying out eelgrass preservation and conservation activities and coastal cleanup activities, was certified as a Nationally Certified Sustainably Managed Natural Site[*2] by the Ministry of the Environment.

*1 30by30: A target to effectively conserve more than 30% of land and ocean as healthy ecosystems by 2030.
*2 Nationally Certified Sustainably Managed Natural Site: An area where biodiversity conservation is being promoted through private entities' initiatives, etc. Certified by the Ministry of the Environment since FY2023

- For more information about the Seven-Eleven Foundation, click here. (Japanese Only)
- Click here for information on Hannan Seven Marine Forest activities (Japanese Only)

4.4.3 Resource circulation transition plan

Climate Nature

With 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. It is a serious problem that affects all aspects of life, from energy such as oil to food including fisheries resources, and one that leads to climate change and the degradation of nature. Based on this concept, we acknowledge that transition to a circular economy that makes effective use of all resources is essential.

As a retailer, the Group is working to transition to a circular economy and society, focusing on initiatives for environmental considerations into containers and packaging, measures against food loss and for organic waste recycling, and the recovery and recycling of resources. Specifically, we are promoting the conversion of containers and packaging for our original merchandise (including SEVEN PREMIUM) to environmentally friendly materials (biomass, biodegradable, recycled materials, paper, etc.) as we aim to achieve 50% environmentally friendly containers and packaging by 2030 and 100% by 2050. With regard to food loss and waste, we have set a goal aiming to increase our organic waste recycling rate to 70% by 2030 and 100% by 2050. Reducing generation of food loss and waste is a foremost priority, and we are stepping up recycling of any food loss and waste that is still generated. Furthermore, taking advantage of our position as a retail store located close to our customers, we are also promoting initiatives aimed at realizing a circular economy and society together with our customers, such as by recycling PET bottles.

Going forward, we will continue working with relevant government agencies and business partners, as well as strengthening collaboration with a wide range of stakeholders, including through our participation in the Clean Ocean Material Alliance (CLOMA)[*1] and investment in Circular Pet Co., Ltd.[*2], in order to further promote the effective use and circulation of resources throughout the entire value chain.

*1 Click here for more information on CLOMA

*2 Click here for more information about Circular Pet Co., Ltd. (Japanese Only)

- Click here for information on food loss and organic waste recycling initiatives
- Click here to learn about our efforts to make effective use of resources
- Click here to learn about our efforts to introduce environmentally friendly containers and packaging

■Efficient use of resources in store development

Resource circulation efforts are deeply connected to climate change and nature. For example, SEJ strives to make effective use of resources in store development, thereby contributing to reduced CO_2 emissions and prevention of biodiversity loss.

●Utilizing recycled aluminum

The 7-Eleven Misato Kamihikona store, which opened in February 2024, was the first in Japan to incorporate LIXIL Corporation's aluminum extrusions, which reduce CO_2 emissions in the manufacturing process by approximately 55%. Since then, it has also been utilized at the 7-Eleven Fukuoka Momochi store.

●Recycling of a portion of glass waste into components

SEJ, in collaboration with AGC Inc., collected approximately four tons of discarded glass shelves (equivalent to roughly 30 stores) generated as a result of aging equipment at 7-Eleven stores, and used them to produce plate glass, which was then used as glass components for the stores' refrigeration equipment.

Through this initiative, we have succeeded in reducing the use of virgin materials in the manufacturing process by approximately 4.8 tons and GHG emissions by about 2.4 tons. We will continue collaborating to spread the use of recycled glass.

●Utilization of local timber

The 7-Eleven Fukuoka Momochi store, which opened in August 2024, is a wooden store that uses domestic timber, mainly from the city of Fukuoka, in the building's frame, interior, and exterior. CO_2 emissions during construction and demolition of such stores are expected to be reduced by approximately 15% compared to conventional standard construction methods (lightweight steel frame construction). In addition to the reduction effect related to construction, we also hope to contribute to forest regeneration by utilizing local timber that will lead to increased CO_2 absorption.

5. Risk and impact management

(As of September 2025)

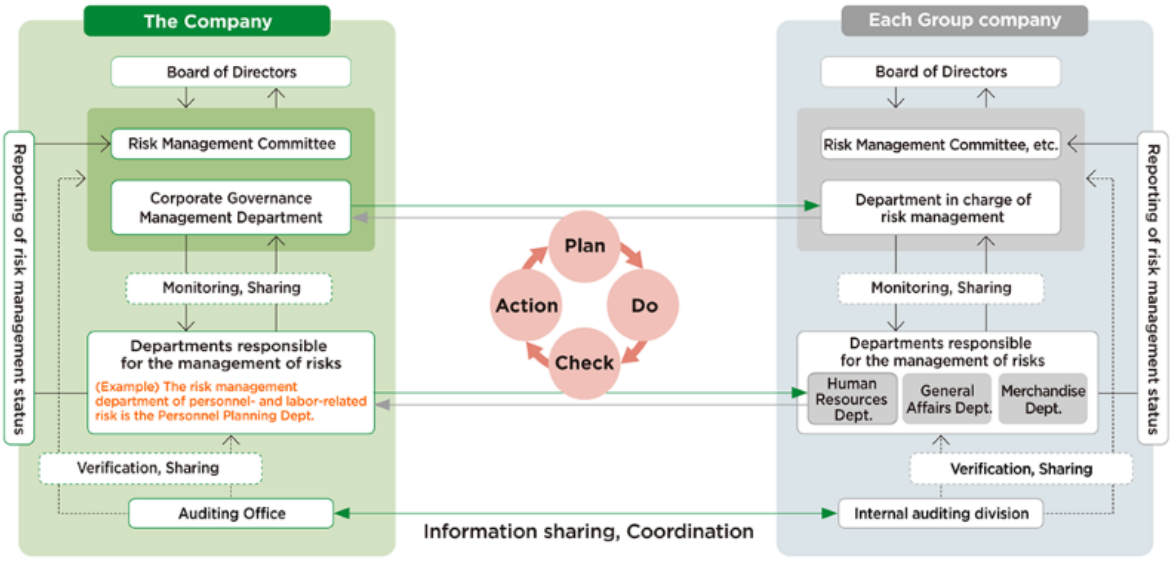
Climate Nature

In accordance with the basic rules for risk management, the Group established, developed, and operates a comprehensive risk management system, centered on the Risk Management Committee, to properly analyze, evaluate, and appropriately respond to risks associated with each business, with consideration for changes in the management environment and risk factors. Risks related to sustainability are managed under this comprehensive risk management system as well.

The Risk Management Committee receives reports on the risk management status of the respective companies from the departments responsible for the management of risks, to comprehensively identify, assess, and analyze risks and discuss measures, and to determine the future direction going forward. In principle, the status of risk management is reported to the Company's Board of Directors once annually.

In recent years, in addition to changes in the Group's internal environment, the impact of various changes in the external environment on business operations, including heightened risks related to sustainability such as CO_2 emission regulations, large-scale typhoons, and changes in production areas and fishing grounds of raw materials for our merchandise, has grown significantly. To address these changes, we operate a risk management system that takes into account not only short-term risks but also medium- to long-term risks. In the risk assessment process, in terms of the assessment perspective of degree of impact on business performance if a risk were to materialize, by adding qualitative factors such as business continuity and damage to the Group's brand image to the quantitative factors previously considered, we seek to take a more multifaceted and sophisticated approach to assessment and analysis of all risks. In addition, we enhance the effectiveness of risk management for the Group as a whole by identifying high-priority risks from the perspectives of significance, commonality, etc., and clarifying the roles and responsibilities of the Company and Group companies.

■Risk management system



➢ Click here to learn more

6. Metrics and targets

Climate Nature

Of the core global metrics indicated by the TNFD, we disclose below those that are related to the Group's dependencies, impacts, risks, and opportunities, and for which data is available, as well as those that the Group manages as environment-related metrics through initiatives such as the TCFD and our environmental declaration GREEN CHALLENGE 2050. Going forward, we will endeavor to collect and disclose data on nature-related metrics, particularly by seeking cooperation from stakeholders in our value chains.

■Core global metrics

Metric number	Driver of nature change	Metric	Details of metric
-	Climate change	GHG emissions	Scope 1 and 2 emissions: Listed under "Environmental Management" on our website Scope 3 emissions: Listed under "Supply Chain Management (Environment)" on our website
C1.0	Land/freshwater/ ocean-use change	Total spatial footprint	Total surface area controlled/managed by the organization: Stores: 8,839,388 m^2 (total for Japan and overseas CVS)
C1.1		Extent of change in land use	Total change in land use for store operations: This is regarded as basically non-existent due to the nature of the business, which mainly focuses on opening stores in urban areas. The average yield per unit area of coffee and rice used in the LEAP approach analysis: Coffee: 908 kg/ha (FAOSTAT data) Rice: 537 kg/10a (Ministry of Agriculture, Forestry and Fisheries data)
		Land area where ecosystems have been voluntarily conserved or restored	Since 2006, the Seven-Eleven Foundation has been promoting community-wide environmental conservation through activities such as the creation of Seven Forest and Seven Marine Forest (https://www.7midori.org/midori/)
		Sustainably managed ocean area	The Seven-Eleven Foundation, a general incorporated foundation, has been working since 2018 with Hannan City in Osaka and the Osaka Bay Coastal Environment Creation Research Center, a non-profit organization, on the Hannan Seven Marine Forest project, which protects and conserves eelgrass. The project was certified as a Nationally Certified Sustainably Managed Natural Site and registered as OECM in 2023 (https://www.7midori.org/topic202209/)
C2.0	Pollution/pollution removal	Pollutants released to soil split by type	No release of pollutants into the soil has been confirmed at retail stores in Japan
C2.1		Wastewater discharged	Listed in the Sustainability Data Book under "Management of Water"
C2.2		Waste generation and disposal	Food loss and food waste recycling rate: Listed in the Sustainability Data Book's Progress on Four Themes (FY2023 Results) under GREEN CHALLENGE 2050 Other waste: Listed under "Waste disposal (recycling rate)" in the Sustainability Data Book
C2.3		Plastic pollution	Ratio of environmentally friendly materials used in containers for original products: Listed in the Sustainability Data Book's Progress on Four Themes (FY2023 Results) under GREEN CHALLENGE 2050
C2.4		Non-GHG air pollutants	Due to the nature of our business as a retailer, it is considered that we do not emit any non-GHG air pollutants
C3.0	Resource use/replenishment	Water withdrawal and consumption from areas of water scarcity	Currently under calculation
C3.1		Quantity of high-risk natural commodities sourced from land/ocean/freshwater	Sustainable procurement rate: Listed in the Sustainability Data Book's Progress on Four Themes (FY2023 Results) under GREEN CHALLENGE 2050
C4.0	Invasive alien species and other	Placeholder indicator (measures against invasive alien species)	No estimates have been calculated as detailed standards have not yet been determined
C5.0	State of nature	Placeholder indicator (ecosystem condition)	No estimates have been calculated as detailed standards have not yet been determined
		Placeholder indicator (species extinction risk)	No estimates have been calculated as detailed standards have not yet been determined
C7.0	Risks and opportunities	Value of assets, liabilities, revenues and expenses that are assessed as vulnerable to nature-related transition risks	Impact of carbon tax under a 1.5°C scenario is estimated with the TCFD scenario analysis
C7.1		Value of assets, liabilities, revenue and expenses that are assessed as vulnerable to nature-related physical risks	Impact of damage from natural disasters and rising raw material prices under a 4°C scenario is estimated with the TCFD scenario analysis Impact of declining coffee sales and rising procurement costs is estimated with the TNFD analysis
C7.2		Description and value of significant fines/penalties received/litigation action in the year due to negative nature-related impacts.	No significant fines, penalties or litigation action due to nature-related impacts have been confirmed within our domestic operations in FY2024
C7.3		Amount of capital expenditure, financing or investment deployed towards nature-related opportunities, by type of opportunity, with reference to a government or regulator green investment taxonomy or third-party industry or NGO taxonomy, where relevant.	Seven-Eleven Japan provides support to coffee farmers and sourcing countries for SEVEN CAFÉ (https://sustainability.sej.co.jp/action/000496/)
C7.4		Increase and proportion of revenue from products and services producing demonstrable positive impacts on nature with a description of impacts.	Certified merchandise is being offered, but impact calculations and verification have not yet been carried out yet

7. Direction of future efforts

Climate Nature

We believe that addressing climate change and nature will help prepare for and prevent issues that threaten the daily lives of customers and local communities, such as the growing number of natural disasters and the increasingly unstable sourcing of raw materials for our merchandise. In this report, as a first step toward advancing an integrated approach to addressing climate change and nature from a business strategy perspective, we have undertaken an integrated analysis of both aspects and disclosed the results of that analysis. Going forward, we intend to further analyze our dependencies and impacts on nature in-depth and establish the financial impact. We will also utilize gains from the analysis this time to refine transition plans by adding the perspective of transitioning to a circular economy and society, and develop and implement specific measures based on the plans.

Furthermore, in order to build a sustainable society, we intend to promote dialogue and collaboration with a wide range of stakeholders and strengthen our efforts throughout the entire value chain.