



**SEVEN&i** HLDGS. Co., Ltd.

# CSR Report 2017



## About the CSR Report

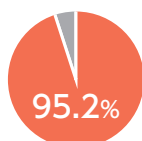
This website covers CSR initiatives implemented by Seven & i Holdings, our holding company, and its operating companies. There is comprehensive reporting on initiatives each operating company has taken in regard to the material issues and CSR activities overseas. Moreover, the SDG logo appears on Seven & i Group initiatives aimed at achieving the Sustainable Development Goals (SDGs)\* adopted by the UN Summit in 2015.

\* The international community's shared goals for attaining the sustainable development of society, the economy, and the environment by 2030, in order to ensure all people enjoy peace and prosperity.

### Report Coverage

The Report mainly covers the following organizations. Information on each company is also available on the following websites. (URLs are for CSR-related pages or the top pages of each company's website).

Sales of reporting organizations  
as a percentage of overall sales



Seven & i Holdings Co., Ltd.

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

Seven-Eleven Japan Co., Ltd.

<http://www.sej.co.jp/social/index.html>

Ito-Yokado Co., Ltd.

<http://www.itoyokado.co.jp/company/iycsr/>

Sogo & Seibu Co., Ltd.

<http://www.sogo-seibu.co.jp/csr.html>

York-Benimaru Co., Ltd.

<http://www.yorkbeni.co.jp/enviro/index.html>

York Mart Co., Ltd.

<http://www.yorkmart.com/company>

Seven & i Food Systems Co., Ltd.

<http://www.7andi-fs.co.jp/7fs/company/csr.html>

Seven Bank, Ltd.

<http://www.sevenbank.co.jp/corp/csr/>

Akachan Honpo Co., Ltd.

<http://www.akachan.jp/company/csr/>

7-Eleven, Inc.

<http://corp.7-eleven.com/corp/corp-social-responsibility>

SEVEN-ELEVEN HAWAII, INC.

<http://www.7elevenhawaii.com/home>

SEVEN-ELEVEN(BEIJING) CO., LTD., SEVEN-ELEVEN(TIANJIN) CO., LTD.

<http://www.7-11bj.com.cn/>

SEVEN-ELEVEN(CHENGDU) Co., Ltd.

<http://www.7-11cd.cn/>

Chengdu Ito-Yokado Co., Ltd.

<http://www.iy-cd.com/>

Hua Tang Yokado Commercial Co., Ltd.

<http://www.ht-store.com/d/index.do>

### Period of the Report

This website covers our activities during the fiscal year ended February 28, 2017 (March 2016 to February 2017). Some of our activities in the fiscal year ending February 28, 2018 are also included.

### References

GRI G4 Sustainability Reporting Guidelines

ISO 26000

**Current Report** September 2017

### Disclaimer

The data shown in this website are based on information as of the time of writing. Actual activities and results may differ depending on future social changes.

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## Top Message

The Seven & i Group aims to be a sincere company in line with its corporate creed\*1, earning the trust of all stakeholders, including customers, business partners, shareholders, local communities, employees, and franchisees.

Japan today is seeing various social changes such as population decline, a falling birthrate and aging of society, smaller households, an increase in working women, a decline in retail stores and social centers, and labor and personnel shortages. These have given rise to a host of challenges.

In recent years, global challenges have become more acute in areas such as climate change, resource depletion, poverty and inequality, and human rights. There has been a response at the national level through the adoption of the Sustainable Development Goals (SDGs)\*2 and the conclusion of the Paris Agreement. In addition, the public also has extremely high expectations and demands of companies to take action on resolving these global issues.

At the same time, in management strategies that factor in environmental, social, and governance (ESG) aspects, investment has been growing rapidly as a way of increasing sustainable corporate value and reducing risk. Recently, Japan's Stewardship Code was formulated, and Japan's Corporate Governance Code has been implemented. In addition, 2015 saw the Government Pension Investment Fund (GPIF), the world's largest, become a signatory to the UN Principles for Responsible Investment (PRI) and in 2017 it commenced passive investment tracking ESG indices for Japanese equities at a scale of ¥1 trillion. These developments show that ESG information is highly significant for discerning the long-term growth potential of a company.

Given these social issues and environmental changes, we are utilizing the Group's strengths in valuable products and services, as well as human resources and stores, to provide solutions. The Group is practicing the ten principles of the United Nations Global Compact\*3, having signed it in 2012. In addition, we have clarified our direction on CSR and are working to maximize Group synergies by promoting activities to address our Five Promises (material issues). In doing so, we strive to actively disclose relevant ESG data.

We are also promoting initiatives for Creating Shared Value (CSV)\*4, a process for resolving social issues while increasing our corporate value. In 2016, we established the Social Value Creation Subcommittee under the CSR Management Committee. The new subcommittee is planning and examining new business models originating from social issues to be addressed through core businesses.

Looking ahead, the Seven & i Group will respond to various social and environmental changes in a spirit of "reliability and sincerity," using the strengths it has developed in business infrastructure, expertise, and other areas and leveraging management resources to work through a PDCA cycle to realize sustainable growth in corporate value over the medium to long term.

### \*1 Corporate creed:

We aim to be a sincere company that our customers trust.

We aim to be a sincere company that our business partners, shareholders and local communities trust.

We aim to be a sincere company that our employees trust.

### \*2 Sustainable Development Goals (SDGs):

The SDGs were adopted by all of international society in a unanimous vote of 193 member countries at the UN Sustainable Development Summit in September 2015. There are 17 goals and 169 targets comprising priority issues on a global scale and making clear a vision for the world in 2030.

### \*3 UN Global Compact:

This is a voluntary participation initiative within a global framework whereby companies or organizations act as good members of society by displaying responsible and creative leadership to realize sustainable growth. There are ten principles in four fields (human rights, labor, environment, anti-corruption) recognized by global society and globally adopted and agreed upon as universal values.



Ryuichi Isaka  
President and  
Representative Director

**\*4 Creating Shared Value (CSV):**

A management model and framework, along with associated activities, proposed by US economist Michael E. Porter in 2011 for achieving both resolution of social issues (social value) and economic value by companies (corporate value).



## Basic Policies of CSR Initiatives

Seven & i Holdings conducts its business activities based on its corporate creed of aiming to be a sincere company trusted by all stakeholders. We have stated the actions for realizing that creed in our Corporate Action Guidelines. Furthermore, the Corporate Action Guidelines are in accord with the Universal Declaration of Human Rights, the International Labour Organization, ISO 26000, the Global Reporting Initiative, and the UN Global Compact.



### Corporate Creed

We aim to be a sincere company that our customers trust.

We aim to be a sincere company that our business partners, shareholders and local communities trust.

We aim to be a sincere company that our employees trust.

### The basic posture of Seven & i Holdings employees

#### ▶ Corporate Action Guidelines

##### Basic Policy

1. Provision of Safe and High-Quality Products and Services
2. Maintenance of Fair and Transparent Transactions
3. Cooperation with Local and International Communities
4. Respect for Human Rights
5. Respect for Diversity and Improvement of Job Satisfaction
6. Preservation of the Assets and Information of the Company
7. Contribution to a Sustainable Society
8. Dialogue with Stakeholders
9. Efforts Regarding Social Issues

##### Code of Corporate Conduct

1. Compliance (Legal Compliance)
2. Relationship with Customers
3. Relationship with Business Partners
4. Relationship with Shareholders and Investors
5. Relationship with Local and International Communities
6. Relationship between the Company, and Directors, Officers and Employees
7. Preservation of Global Environment

### Policies for each measure

- Quality Policy
- Environmental guidelines and environmental rules
- Seven & i Holdings Environmental Declaration Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming
- Basic Policy on Sustainable Procurement
- Business Partner Action Guidelines
- Basic Policy on Social and Cultural Contribution, Social and Cultural Contribution Action Guidelines

## Support for the United Nations Global Compact

Seven & i Holdings supports the 10 principles of the UN Global Compact, a worldwide framework for achieving sustainable growth, and carries out CSR activities through its core businesses to fulfill these principles.



Network Japan  
WE SUPPORT

➤ UN Global Compact

## Addressing the Sustainable Development Goals (SDGs)

Seven & i Holdings is working to solve social issues through its business activities, with a view to achieving the Sustainable Development Goals\* adopted at a United Nations summit held in 2015.

\* The international community's shared goals for attaining the sustainable development of society, the economy, and the environment by 2030, in order to ensure all people enjoy peace and prosperity.

# SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD



➤ Sustainable Development Goals

## Stakeholder Engagement

Since its foundation, Seven & i Holdings has aimed to be a sincere company, trusted by all of its stakeholders, including customers, business partners, shareholders, local communities, and employees. We believe it is important to strive to understand the requirements and expectations that stakeholders have of the Company and the Group, and to respond to these.

For this reason, Seven & i Holdings and its Group companies will strive to respond quickly to feedback from our stakeholders—the opinions, desires, areas of dissatisfaction, requests, and so forth, that we receive through our dialogue with them. We will reflect this feedback in our management decision making process and business activities.

### Seven & i Holdings' Stakeholders

Engagement with Stakeholders		Main Engagement Methods	Main Response Policy
Customers	We constantly think of things from the customer's standpoint, and to earn our customers' trust we value communication, and will continue to respond to their feedback.	<ul style="list-style-type: none"> <li>• Daily operations</li> <li>• Inquiries to the customer feedback department</li> <li>• Customer questionnaires</li> <li>• Website community that invites customers to participate</li> </ul>	<ul style="list-style-type: none"> <li>• Provide products and services that enrichen customers' lives</li> <li>• Improve products and services and ensure safety</li> <li>• Label accurately in an easily understandable manner</li> <li>• Manage personal information appropriately</li> <li>• Promote universal design</li> </ul>
Business Partners	Our products and services could not be supplied without the cooperation of our business partners. We will rigorously observe laws and regulations and internal rules relating to fair trade as well as build relationships of trust with business partners to ensure maintenance of safety and security and accounting for human rights and the environment. We will work together with them to carry out our social responsibilities.	<ul style="list-style-type: none"> <li>• Product development meetings</li> <li>• Quality improvement meetings</li> <li>• Informal gatherings with business partners</li> <li>• CSR audits of business partners</li> <li>• Business Partner Help Line</li> <li>• Business partner questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>• Development of products and services through team merchandising</li> <li>• Rigorous fair trade practices</li> <li>• Compliance with laws and regulations through the supply chain and consideration for human rights and the environment</li> </ul>
Shareholders and Investors	Our operations are underpinned by the investments of our shareholders and investors. To respond to their trust, we emphasize highly transparent management and communication and fulfill our duty of accountability through disclosure.	<ul style="list-style-type: none"> <li>• General Shareholders' Meeting</li> <li>• Financial results presentations</li> <li>• Meetings with investors</li> <li>• Information website for investors and organization newsletter</li> </ul>	<ul style="list-style-type: none"> <li>• Maximization of shareholder value and return profits</li> <li>• Proper accounting procedures and timely disclosure of information</li> <li>• Highly transparent management</li> <li>• Accountability toward beneficiaries</li> </ul>

Engagement with Stakeholders		Main Engagement Methods	Main Response Policy
Local Communities	We aim to play an indispensable role in our local communities. To this end, by providing products and services matching the lifestyles in local communities, encouraging local production and local consumption and coexisting with communities, we will promote activities that contribute to community development.	<ul style="list-style-type: none"> <li>Regional Comprehensive Economic Partnerships with local governments</li> <li>Participation in community activities</li> <li>Dialogue through industry groups</li> </ul>	<ul style="list-style-type: none"> <li>Provision of products and services matching regional characteristics</li> <li>Consideration for living environments in regional areas</li> <li>Contribution to regional development</li> <li>Resolution of social issues in collaboration with NGOs, NPOs and others</li> <li>Safe and reliable urban development in collaboration with administrative authorities</li> <li>Support for local production and local consumption, dietary education, child-raising, the elderly, and people with disabilities</li> <li>Provision of products after the occurrence of natural disasters and support for affected areas</li> <li>Participation in volunteer activities</li> </ul>
Franchise Store Owners	Seven-Eleven Japan (SEJ) believes that relationships of trust with owners of franchise stores is the core of its business, and these relationships should be mutually beneficial. Through dialogue with Operations Field Consultants (OFCs) we build good relationships based on strong mutual trust and contribute to realizing comfortable and more prosperous lives for customers.	<ul style="list-style-type: none"> <li>Regular OFC visits to stores</li> <li>Product exhibitions</li> <li>Training and workshops by region</li> <li>Owners' organization newsletter</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of management structure</li> <li>Strengthening of store operation capabilities</li> <li>Strengthening of partnerships</li> <li>Construction and ongoing improvement of a highly competitive franchise system</li> </ul>

Engagement with Stakeholders		Main Engagement Methods	Main Response Policy
Employees	<p>We aim to realize workplaces where employees can participate actively and find satisfaction in their work. To this end, we will create working environments that are fair, just, and considerate of human rights. We will also create environments that protect privacy and safety, while helping workers to develop their capabilities and facilitate their work.</p>	<ul style="list-style-type: none"> <li>• Management policy briefings</li> <li>• Employee opinion survey</li> <li>• Employee training</li> <li>• Self-check systems and individual meetings</li> <li>• Internal portal website and Group newsletter</li> <li>• Employee Help Line</li> </ul>	<ul style="list-style-type: none"> <li>• Respect for human rights, diversity, and individuality</li> <li>• Creation of discrimination-free workplaces that consider human rights</li> <li>• Utilization of diverse human resources</li> <li>• Occupational health and safety and prevention of workplace accidents</li> <li>• Achievement of work-life balance</li> <li>• Preventative care for mental health</li> <li>• Promotion of employee health</li> <li>• Transparent and fair evaluations</li> <li>• Respect for rights, such as the right for employees to engage in collective bargaining</li> <li>• Support for development of employee abilities</li> </ul>
Global Environment	<p>Our business is dependent on the blessings of the earth's environment. Therefore, we will provide products and services taking into account the sustainability of the environment, while cooperating with customers, business partners, and employees to reduce the environmental impact throughout the entire supply chain.</p>	<ul style="list-style-type: none"> <li>• Inquiries to the customer feedback department</li> <li>• Dialogue with product and packaging materials suppliers</li> <li>• Dialogue with national and local governments, NPOs and NGOs, and residents of store neighborhoods</li> <li>• Dialogue with equipment and maintenance companies</li> <li>• Waste disposal companies</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced CO2 emissions</li> <li>• Reduced energy consumption</li> <li>• Environmental awareness among employees</li> <li>• Compliance with environmental legislation</li> <li>• Installation of energy saving and environmentally friendly equipment</li> <li>• Water-saving measures</li> <li>• Reduction of waste and promotion of recycling</li> <li>• Reduction of packaging materials</li> <li>• Preservation of biodiversity</li> <li>• Environmentally considerate products and services</li> </ul>



## Corporate Governance

The mission of Seven & i Holdings, as a holding company that oversees and controls its operating companies, is to strengthen corporate governance and maximize the enterprise value of the Seven & i Group.

### Organization

Seven & i Holdings has adopted the Audit & Supervisory Board system for implementing management oversight. The Board of Directors comprises 13 members, of whom 4 are Outside Directors. Through the use of multiple Outside Directors who maintain their independence and have advanced management knowledge and experience, Seven & i Holdings protects the interests of general shareholders and enhances the quality of decision-making in business execution. To ensure appropriate reflection of the wishes of shareholders, the term of Directors has been set at one year.

To facilitate prompt decision-making and business execution, the Company has introduced the executive officer system. Under this system, the Board of Directors is able to focus on the formulation of management strategies and the oversight of business execution, while the executive officers can focus on business execution.

The Audit & Supervisory Board comprises five members, including three Outside Audit & Supervisory Board Members who maintain their independence and have specialized knowledge in such areas as legal affairs and financial accounting. Each Audit & Supervisory Board Member fulfills such tasks as attending meetings of the Board of Directors and other important meetings, exchanging opinions with the Representative Directors, periodically receiving reports from Directors and others regarding business execution, and actively exchanging information with the Auditing Office. Through these activities, the Audit & Supervisory Board Members audit the Directors' execution of their duties. In addition, the Audit & Supervisory Board Members actively exchange information with the independent auditor to maintain close ties with it with respect to financial audits.

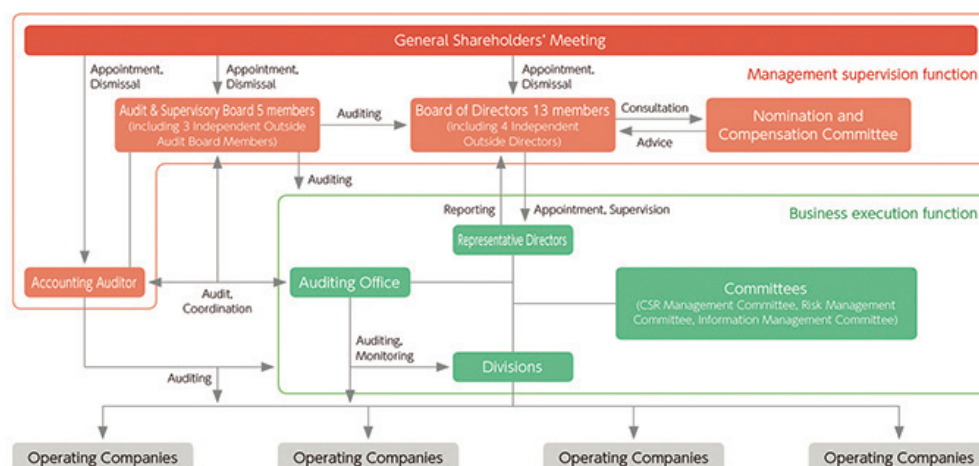
\* The number of people is as of the end of May 2017.

### Strengthening Corporate Governance

All of the Outside Directors and Outside Audit & Supervisory Board Members of Seven & i Holdings are independent from the Company. Independent Directors and Independent Audit & Supervisory Board Members are defined as Outside Directors and Outside Audit & Supervisory Board Members who have no potential conflicts of interest with general shareholders of the Company. In the event that an Outside Director or an Outside Audit & Supervisory Board Member is likely to be significantly controlled by the management of the Company or is likely to significantly control the management of the Company, that Outside Director or Outside Audit & Supervisory Board Member is considered to have a potential conflict of interest with general shareholders of the Company and is considered to lack independence. In accordance with this fundamental approach, the Company uses the independence criteria established by the financial instrument exchange as the independence criteria for the Company's Outside Directors and Outside Audit & Supervisory Board Members.

These Outside Directors and Outside Audit & Supervisory Board Members hold periodic meetings, as necessary, with the Board of Directors, Representative Directors, and individual Directors to exchange opinions regarding such matters as the Group's management and corporate governance. In addition, Seven & i Holdings assigns employees to assist the Outside Directors and the Outside Audit & Supervisory Board Members. The Company has established a support system that facilitates smooth information exchange and close interaction with the other Directors and the other Audit & Supervisory Board Members.

## The Company's Corporate Governance System (As of September 18, 2017)



### Nomination and Compensation Committee

Seven & i Holdings has established the Nomination and Compensation Committee with an Independent Outside Director as the Chair to be an advisory committee to the Board of Directors. The committee deliberates on the nomination and compensation of Representative Directors, Directors, Audit & Supervisory Board Members and executive officers to utilize the knowledge and advice of Independent Outside Directors and Outside Audit & Supervisory Board Members. By ensuring procedural objectivity and transparency in deciding on officer nomination and compensation, the committee enhances the supervisory functions of the Board of Directors and further substantiates corporate governance functions.

### Committees

Seven & i Holdings has established the CSR Management Committee, Information Management Committee, and Risk Management Committee, which report to the Representative Director. Each committee cooperates with the operating companies to determine Group policies and to manage and supervise their dissemination and execution with an eye to strengthening corporate governance.

#### CSR Management Committee

In the Group corporate creed and the Seven & i Holdings Corporate Action Guidelines, etc., Seven & i Holdings and its Group companies have made a public commitment to implementing ethical corporate activities, strictly observing laws, regulations, and social norms, and fulfilling their corporate social responsibilities to continue to be trusted and known for integrity. On that basis, Seven & i Holdings shall establish and utilize compliance systems, centered on the CSR Management Committee.

The CSR Management Committee endeavors to maintain compliance with the Seven & i Holdings Corporate Action Guidelines, following the corporate creed of "We aim to be a sincere company that our customers trust" with respect to its various stakeholders. The committee works to contribute to resolving social issues through business activities and aims for society and the Group to achieve sustainable growth. To achieve these objectives, four subcommittees (Corporate Ethics and Culture Subcommittee, Consumer Affairs and Fair Business Practices Subcommittee, Environment Subcommittee and Social Value Creation Subcommittee) have been established under the CSR Management Committee.

Each subcommittee prioritizes main issues to be addressed from the standpoint of the Group's business characteristics, and then develops and implements measures for achieving solutions. In addition, greater efforts are being exerted to be thorough with compliance, including the establishment and operation of an independent, external helpline, promotion of fair trade, and establishment and dissemination of the Seven & i Holdings Corporate Action Guidelines and guidelines for each company.

## Risk Management Committee

Seven & i Holdings, in accordance with the “basic rules for risk management,” establishes, maintains, and utilizes comprehensive risk management systems, centered on the Risk Management Committee, in order to properly analyze and evaluate, and appropriately respond to risks associated with each business, with consideration for changes in the management environment and risk factors relevant to the Company and its Group companies.

The Risk Management Committee regards all phenomena that threaten continuation of our businesses and hinder sustainable growth as risks, and works to strengthen comprehensive and integrated risk management.

In the fiscal year ended February 28, 2017, the committee worked to reduce the Company’s overall risk by advancing and supporting measures to identify the inherent risk issues for each Group company and examine measures for resolving them. This was done by strengthening collaboration with each Seven & i Holdings’ division responsible for risk, and by bolstering the feedback system for risk-related information between Seven & i Holdings and the operating companies, with a view to reinforcing risk management.

## Information Management Committee

The Information Management Committee is in charge of initiatives to strengthen corporate governance and information security based on gathering and managing information.

In the fiscal year ended February 28, 2017, in regard to the system for reporting of Group companies to Seven & i Holdings, the committee strengthened its system for gathering important information from each company in an appropriate and timely manner and collaboratively addressing the information, while enhancing the system for centrally managing that information and reporting it without omission or delay to management and relevant departments.

In response to heightened social interest in protection of personal information and to ensure that customers can use the Group’s integrated portal website, omni7 safely and securely, all business sites within the Group that handle the personal information of customers have acquired ISMS certification (ISO 27001), an international standard for information security management. In parallel, the committee formulated information security standards to be achieved by the Group and worked to strengthen information security by promoting initiatives compliant with PDCA cycle methodologies based on the ISMS certification throughout Group companies.

In the fiscal year ending February 28, 2018, the committee will continue working to strengthen the system for gathering and managing information. It will also strive to bolster security by working to maintain and expand ISMS-certified sites.

## Reinforcing Internal Control Systems

Seven & i Holdings has worked to enhance its internal control systems to achieve the required conditions of internal control: 1) operational effectiveness and efficiency; 2) reliability in financial reporting; 3) strict compliance with laws and regulations in operating activities; and (4) appropriate preservation of assets.

The Board of Directors responded to the enforcement of the Companies Act of Japan in May 2006 by passing a resolution concerning the Company’s “Basic Policy on Internal Control Systems.” The Board of Directors continually monitors the establishment of various rules as well as the status of risk management.

In February 2009, as one facet of initiatives implemented in response to the introduction of the internal control reporting system under the Financial Instruments and Exchange Act, the Company formulated the “Rules for Establishing Internal Control Concerning Financial Reporting” and the “Rules for Evaluating Internal Control Concerning Financial Reporting.” In accordance with these rules, in March 2009 the Company established the position of internal control evaluation director in the Auditing Office. The internal control evaluation director implements evaluations of internal control concerning financial reporting for the Group as a whole.

In addition to this type of system enhancement, the Company has prepared an Internal Control Handbook. The Company is working to ensure that all of the Group’s employees understand the objectives and importance of internal control.

Moreover, following revisions to the Companies Act and the Ordinance for Enforcement of the Companies Act in May 2015, the Company established systems for ensuring appropriate operations within the corporate group formed by Seven & i Holdings and Group subsidiaries and enhanced and clarified the regulations relating to systems for supporting audits and so forth.

➤ [Further details about corporate governance can be found here:](#)

## Compliance

Seven & i Holdings places absolute priority on compliance with laws and regulations and social norms. The Company also strives to ensure that sound corporate governance is functioning and secured by management.

### Seven & i Holdings Corporate Action Guidelines

The Seven & i Holdings Corporate Action Guidelines present the behavior that each employee should practice in order to realize the spirit of “reliability and sincerity” expressed in the Group’s corporate creed. The guidelines call for employees to comply with laws, regulations, and social norms, to uphold laws and regulations such as the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, as well as internal rules, and conduct business under appropriate conditions in line with sound trading practices, and not to have any contact with antisocial groups.

➤ [Details of the Seven & i Holdings Corporate Action Guidelines can be found here](#)

#### Basic Policy

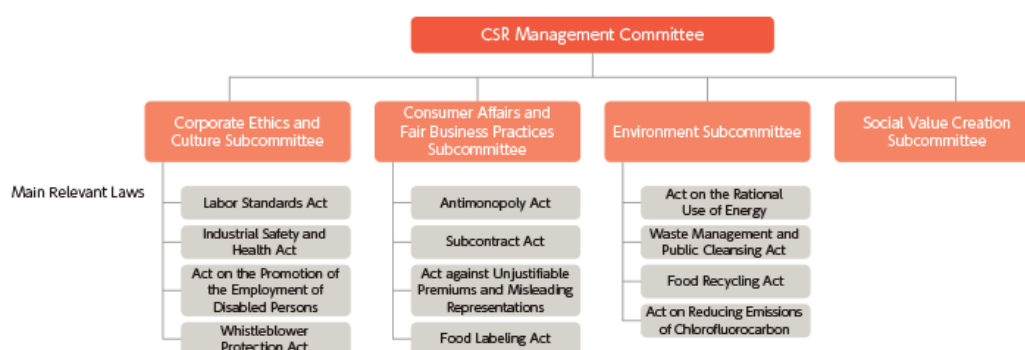
1. Provision of safe, high-quality products and services
2. Maintenance of fair, transparent transactions
3. Cooperation with local and international communities
4. Respect for human rights
5. Respect for diversity and improvement of job satisfaction
6. Preservation of the assets and information of the Company
7. Contribution to a sustainable society
8. Dialogue with stakeholders
9. Efforts regarding social issues

#### Code of Corporate Conduct

1. Compliance (Legal Compliance)
2. Relationship with Customers
3. Relationship with Business Partners
4. Relationship with Shareholders and Investors
5. Relationship with Local and International Communities
6. Relationship between the Company, and Directors, Officers and Employees
7. Preservation of Global Environment

### Compliance System

Seven & i Holdings has a CSR Management Committee, chaired by the President, and three subcommittees—the Corporate Ethics and Culture Subcommittee, the Consumer Affairs and Fair Business Practices Subcommittee, and the Environment Subcommittee. These subcommittees work together with each Group company to promote the Seven & i Holdings Corporate Action Guidelines and to rigorously enforce compliance.



## Internal Reporting System

Seven & i Holdings has set up the Groupwide Help Line and the Business Partner Help Line to prevent conduct that could result in loss of public credibility and to ensure early detection, early remediation, and recurrence prevention. The Groupwide Help Line is for receiving reports from employees of Group companies in Japan, and the Business Partner Help Line is for reports from business partners.

Both help lines have a consultation desk operated by a third party under a service contract and a non-disclosure agreement to protect the privacy of people consulting or whistleblowing, and ensure that the content of their reports are not disclosed publicly or leaked. The consultation desk accepts reports via e-mail, telephone or post. (Reports via telephone are only accepted during service hours.)

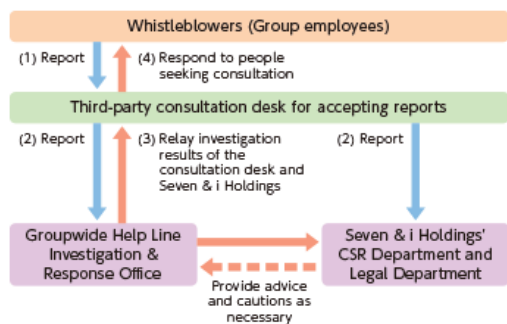
When the Company receives a report, it quickly confirms the facts, corrects any violations that are found, and strives to prevent a recurrence. To create an environment that facilitates reporting, reports can be made anonymously, while both employees and business partners are bound by operating regulations not to subject whistleblowers to disadvantageous treatment for having made a report. The person is contacted four weeks after completion of the case by the third-party consultation desk to check that they have not suffered retaliation or disadvantageous treatment.

Seven & i Holdings' CSR Department keeps track of the number and nature of the reports for each Group company, as well as the status of responses, to ensure that the actions taken by the operating companies are appropriate. In the event of a serious violation or other such incident, a report will be provided immediately to the Representative Director, responses will be discussed with the relevant divisions and companies, and the necessary response measures will be taken. In addition, the CSR Department reports on the operational status of the internal reporting system to Seven & i Holdings' CSR Management Committee and the Board of Directors.

### Groupwide Help Line

The Groupwide Help Line serves employees, Directors and Audit & Supervisory Board Members, and retirees and their families. To ensure that all employees are aware of the system and its contact points, it is explained in employee training and posters are put up in every workplace and store. Additionally, employees' awareness of the Groupwide Help Line is surveyed as part of the Employee Opinion Survey administered once every two years.

#### Procedural Flow for the Groupwide Help Line



#### Number of reports for the fiscal year ended February 29, 2016

##### Breakdown of Internal Reports



##### Breakdown of People Seeking Consultations



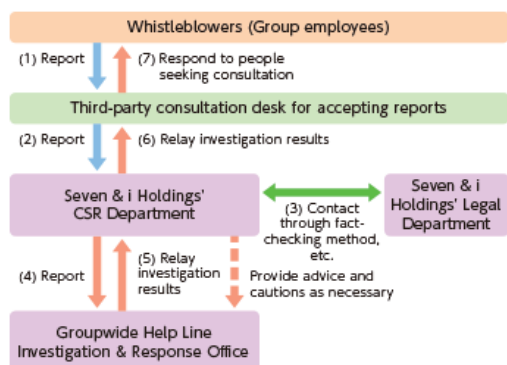
\* For the Groupwide Help Line, some Group companies have their own internal reporting consultation desks in addition to third-party consultation desks. Moreover, operating companies in North America and China also have their own internal reporting systems to receive reports from employees and offer consultation.



## Business Partner Help Line

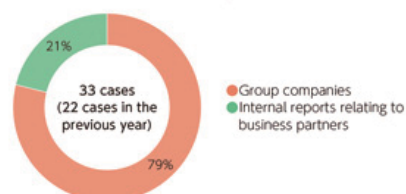
The Business Partner Help Line is provided for Directors and Audit & Supervisory Board Members, employees, and former employees of Group companies' business partners. To ensure that business partners are fully aware of the help line system and its points of contact, we explain it at briefings for business partners and distribute information in pamphlets.

### Procedural Flow for the Groupwide Help Line



### Number of reports for the fiscal year ended February 28, 2017

#### Breakdown of Internal Reports



#### Report:

- Suspected violation of rules, laws, or regulations
- Consultation regarding product safety and reliability
- Inappropriate employee speech or behavior

## Education and Training of Employees

Seven & i Holdings and Group companies endeavor to promote and foster understanding of the Seven & i Holdings Corporate Action Guidelines among all employees. To this end they have prepared specific guidance for employees on how to put the guidelines into practice in line with the business characteristics of each company. In addition, when undertaking tier-specific group training for organizational levels ranging from new recruits to management, Seven & i Holdings provides training based on the themes of the Seven & i Holdings Corporate Action Guidelines and compliance.

From the fiscal year ended February 29, 2016, compliance seminars have been held every year for executives, beginning with the presidents of Seven & i Holdings and each Group company. In addition, in the fiscal year ended February 28, 2017, training via e-learning (certain employees watched DVDs) was undertaken for Group employees in Japan.



## Compliance survey

Seven & i Holdings conducts the Employee Opinion Survey, an anonymous biennial survey designed to gauge the extent of understanding of the Corporate Creed and compliance awareness among employees. The survey includes questions that measure job satisfaction and the degree of acceptance of performance reviews. Group-wide initiatives are implemented to address common issues across the Group that have been identified by the survey results. Along with this, Group companies devise measures to tackle the issues faced by each company and strive to make improvements accordingly.

➤ For more details of the Employee Opinion Survey, please visit:

## System for Prevention of Noncompliance regarding Business Partners

Seven & i Holdings has established the FT (Fair Trade) Information Sharing Committee, made up of personnel in charge of fair trade at each Group company, under the Consumer Affairs and Fair Business Practices Subcommittee. In this project, the members strive to prevent noncompliance by sharing information on the latest laws and regulations concerning business practices, cases of unfair business practices at Group companies or other companies in the industry, and measures for improvement.

If a case of an unfair business practice occurs, or is suspected, the FT Committee and the CSR Department work together to check the facts with the department and business partners concerned. If any issues are found to exist, they are dealt with appropriately according to administrative guidance.

### Prevention of Noncompliance at Group Companies

Each Group company has a division to rigorously ensure fair trading practices, such as the FT Committee headed by the company president. These divisions are responsible for training the personnel responsible for procurement as regards the laws and regulations related to contracts, such as the Antimonopoly Act and the Subcontract Act. The status of legal compliance at each Group company is confirmed through a monitoring survey of each Group company conducted by the FT Information Sharing Committee.

### Prevention of Noncompliance Regarding Business Partners

In the final stage of negotiations with each business partner, to ensure there are no later disagreements between the personnel in charge of purchasing at each company and the representative of the business partner, the matters determined as a result of their discussions are recorded in a standardized format, with each party retaining a copy.

Moreover, the Seven & i Group conducts individual employee interviews led by the employee's supervisor once every six months. At the individual interviews of personnel in charge of purchasing, their compliance with fair business practices is evaluated and reflected in their compensation package.

From the fiscal year ended February 28, 2017, the Seven & i Group has conducted questionnaire surveys of business partners to confirm whether the speech and behavior of employees toward business partners follow the Seven & i Holdings Corporate Action Guidelines. In these surveys, business partners reply to questions anonymously. In May 2017, a total of 8,700 representatives of business partners responded to questionnaire surveys issued by Group companies.



## Protecting Personal Information and Appropriately Securing the Safety of Information Assets

Seven & i Holdings has established the Basic Policy on Protection of Personal Information and the Basic Policy on Information Security. As a sincere company trusted by its stakeholders, Seven & i Holdings has made it mandatory for officers and all employees to protect the personal information handled by the Group and appropriately secure the safety of information assets as a material management and business issue and a social responsibility. At the same time, the Company aims to ensure appropriate business execution through the protection of personal information and the use of information assets by complying with relevant laws and regulations such as the Act on the Protection of Personal Information and internal rules.

➤ [Privacy Policy can be found here](#)

➤ [Basic Policy on Information Security can be found here](#)

## Tax-Related Policies

Based on the Seven & i Holdings Global Tax Policy, Seven & i Holdings has a tax strategy that corresponds with its management strategies, and carries out uniform Companywide tax management.

## Seven & i Holdings Global Tax Policy

Seven & i Holdings has a basic policy of establishing high-quality corporate governance systems at the Company and its Group companies, including overseas subsidiaries. The systems are designed to ensure sound, sustainable growth and to uphold public trust. To provide appropriate countermeasures for tax-related risks, including changes in the tax governance environment in Japan and overseas, reputational risk, brand value degradation, and corporate social responsibility, we have a tax strategy that corresponds with our management strategies, and we will carry out uniform Companywide tax management.

In line with the above, Seven & i Holdings has adopted the following global tax policy.

### ■ 1. Legal Compliance

Seven & i Holdings and its Group companies, including overseas subsidiaries, always comply with the taxation laws in the countries where they operate. Moreover, they also respect the intention of such laws by paying taxes appropriately as a way of contributing to the economic development of the countries.

To ensure that our compliance with tax-related laws and our tax management are appropriate, we follow the guidelines for developing internal controls for financial reporting to build and develop internal control systems that ensure appropriate accounting procedures and financial reporting. We also operate these systems appropriately and have inside and Outside Audit & Supervisory Board Members check and assess the effectiveness of the controls.

### ■ 2. Ensure Transparency

Seven & i Holdings and its Group companies, including overseas subsidiaries, provide timely and appropriate disclosure of management data and tax payment status in accordance with the laws of each country where they have operations.

Moreover, the Company and its Group companies, including overseas subsidiaries, do not engage in tax avoidance practices, which seek to excessively reduce tax payments, and transactions between operating companies are conducted according to the arm's length principle.

### ■ 3. Relationship with Tax Authorities

Seven & i Holdings and its Group companies, including overseas subsidiaries, strive to ensure transparency and reliability with regard to their tax obligations by responding in good faith to the tax authorities in the countries where they operate and international tax authorities.



## Tax-Related Risks

Seven & i Holdings has evaluated the impact of tax obligation risks on future value creation. As a result, we recognize the risk from changes in accounting standards and tax systems such as transfer pricing taxation as a financial risk, and the risk associated with M&A and business reorganizations as a business risk.

### Financial Risks

The Group could encounter unforeseen introductions of new accounting standards or taxation systems, or changes to existing systems, which could affect its business performance or financial position.

### Business Risks

The Group develops new businesses and reorganizes its Group businesses through M&As, business alliances with other companies, establishment of joint ventures, and so forth. However, if the Group's strategic investments do not achieve the initially anticipated effect and cannot meet their targets, its business performance and financial position could be affected.

## Tax-Related Reports



Tax payment amount by country or region for the fiscal year ended February 28, 2017

(Millions of yen)

	Japan	North America	China
Tax payment	125,128	14,916	750
Operating income	299,251	65,548	-238
Revenues from operations	4,032,803	1,690,713	113,475

## Human Rights Initiatives

In accordance with the Seven & i Group Corporate Action Guidelines, the Seven & i Group complies with the international code of conduct and engages in initiatives aimed at respecting the human rights of all stakeholders.

### Philosophy and Policies on Respecting Human Rights

The Seven & i Group has cultivated a culture of always respecting human rights, and never discriminating against, or allowing discrimination against anyone, including customers, business partners, people in local communities, and employees. We recognize that respect for human rights is an extremely important social responsibility as a part of our business activities, and we respect basic human rights as provided for in the Universal Declaration of Human Rights and other international proclamations. The Seven & i Holdings Corporate Action Guidelines stipulates that no person shall be unfairly discriminated against or harassed based on their social status, nationality, race, family lineage, creed, age, gender, sexual orientation\*, gender identity\*, existence of physical or mental disability, or other traits. We work to ensure that all employees understand these Guidelines.

Furthermore, we believe that the cooperation of our business partners is necessary to advance our initiatives on respecting the human rights and the dignity of all people involved in our business activities. We have established the Seven & i Holdings Business Partner Action Guidelines and work to ensure that our business partners understand and comply with them.

As a sign of our respect for human rights, Seven & i Holdings is also a signatory and supporter of the UN Global Compact comprising 10 principles related to human rights, labor, environment, and anti-corruption.

\*Sexual orientation: A person's sexual nature determining the gender(s) to which he or she feels attracted

\*Gender identity: The recognition and sense of which gender an individual feels they belong to

- Seven & i Holdings Corporate Action Guidelines

- Basic Policy 4. Respect for Human Rights

- Seven & i Group Business Partner Action Guidelines

- 2. Respect for Human Rights

### Promotion Framework

Seven & i Holdings has established the Human Rights Education Center as a dedicated entity for overseeing and promoting the Group's efforts with respect to human rights education and normalization. The Human Rights Education Center coordinates with the human resources and compliance departments of each Group company, and carries out a variety of educational and awareness activities. In addition, the Corporate Ethics and Culture Subcommittee under the CSR Management Committee regularly shares the progress on efforts related to human rights education, and advances activities aimed at having all employees of Group companies correctly understand and recognize human rights, along with fostering a corporate culture free of discrimination or prejudice.

With respect to human rights initiatives in the supply chain, the Consumer Affairs and Fair Business Practices Subcommittee under the CSR Management Committee takes the lead role in encouraging human rights awareness among business partners.

### Human Rights Awareness and Training

Seven & i Group offers a variety of educational activities and employee training with the aim of creating a corporate culture in which everyone respects the human rights of all customers, business partners, people in local communities, and colleagues, and in which people are aware of all types of discrimination and prejudices and do not discriminate against others or tolerate such behavior.



## Conducting Training

Seven & i Group companies provide a variety of human rights awareness training to employees, including part-time employees. For example, Ito-Yokado holds level-specific human rights awareness training when employees join the company and at other times, with training content matching job responsibilities. Employees come to recognize that human rights issues are an intricate part of everyday life, and the training includes specific examples as well as new developments and issues so that employees can apply what they learn to their daily activities. In the fiscal year ended February 28, 2017, a total of 84 training sessions were held, and a total of 2,457 people received training. In order to further support Group companies' training, in February 2017 Seven & i Holdings published Human Rights - Let's Start by Learning, a handbook used for human rights awareness. In the fiscal year ending February 28, 2018, we are enhancing these initiatives, including training to promote an understanding of LGBT issues.



Human Rights - Let's Start by Learning handbook



Human rights training

## Solicitation of Proposals for Human Rights Slogans

To create a corporate culture in which each employee's human rights are respected in accordance with the Corporate Action Guidelines, each year the Seven & i Group solicits proposals for human rights slogans from all employees, including part-time employees, and their family members. By coming up with slogans, employees are encouraged to think about human rights, which raises their awareness of human rights issues. The most excellent slogans submitted are published in the Group's internal newsletter and intranet, and receive prizes. The contest was held for the 26th time the fiscal year ended February 28, 2017, and 73,721 proposals were received, the highest number in the history of the contest.



Poster calling for the submission of human rights slogans

## Evaluation of Respect for Human Rights

### Conducting Employee Opinion Surveys

Seven & i Group conducts an employee awareness survey targeting Seven & i Holdings as well as Group companies every second year to check that human rights are being respected. The survey includes questions asking people if they have seen or heard about harassment or discrimination in the workplace. The survey conducted in May 2017 targeted a total of approximately 45,000 employees working at 29 Group companies.

➤ [More details of the Employee Opinion Survey can be found here](#)

### Consultation Service for Employees

Seven & i Group has established the Groupwide Help Line as a consultation service for Group employees, their family members, and former employees to consult about or report on any human rights problems in the workplace. The consultation service is operated by a third party under a service contract and a non-disclosure agreement to protect the privacy of people who contact it. When a report or consultation is received, the facts are investigated as necessary having obtained consent from the person who made the report. In addition, the rules of the consultation service stipulate that people who contact the service as well as those who cooperate with the investigation of facts shall not be subject to disadvantageous treatment.

➤ [Further information about the Groupwide Help Line can be found here](#)

### Assessment of Business Partners by Self-Check Sheet

To ensure that business partners understand the Seven & i Holdings Business Partner Action Guidelines, Seven & i Group administers a self-check sheet for business partners that explains all of the specific requirements for compliance. The self-check sheet contains 61 questions, including human rights-related questions. For example, the questions ask whether or not factory employees have access to consulting desks and whether or not the company requests that its own suppliers comply with the Seven & i Holdings Business Partner Action Guidelines. Responses are entered into a database, and the data are used in the process for determining whether to continue doing business with specific business partners.

➤ [Further information about the self-check sheet for business partners can be found here](#)

### Conducting CSR Audits of Business Partners' Manufacturing Plants

In addition, Seven & i Group conducts CSR audits of end manufacturing plants of the business partners who produce Seven Premium private brand products as well as Ito-Yokado's overseas direct import suppliers. The audits ascertain their level of compliance with the Seven & i Holdings Business Partner Action Guidelines.

An outside audit agency conducts the audits in line with Seven & i Holdings' original audit, which covers topics such as human rights and the work environment (16 categories and approximately 140 check items). This was prepared by making reference to sources such as the ISO 26000 standard, the Japanese Business Federation's Charter of Corporate Behavior, and the OECD Guidelines for Multinational Enterprises.

➤ [Further details about CSR audits of business partners can be found here](#)

## CSR Management

Seven & i Holdings works toward solving social issues in its core operations through promotion and development of businesses such as products and services. At the same time, we aim for sustainable development that creates value for both companies and society.

### Organization of CSR Management Committee

Seven & i Holdings seeks to promote Group-wide CSR activities that are effective and efficient. To this end, we hold regular, twice-yearly meetings of the CSR Management Committee, which is chaired by the President and Representative Director. At these meetings, we offer guidance and make improvements based on reports received from the four subcommittees. The meetings also help to strengthen the framework of collaboration between the holding company and operating companies.

### Corporate Ethics and Culture Subcommittee

The Corporate Ethics and Culture Subcommittee conducts initiatives to ensure compliance and create fulfilling workplaces for Group employees.

In our initiatives to ensure compliance, we are making everyone aware of the Corporate Creed and the Corporate Action Guidelines. Moreover, in September 2016 we revised the Corporate Action Guidelines in response to changes in the social environment both in Japan and overseas.

In our initiatives to create fulfilling workplaces, we are working to improve work environments, beginning with rectifying long working hours, along with making progress on promoting active roles for diverse human resources, including women and people with disabilities, and helping employees balance work and family care responsibilities. In addition, we are encouraging employees to take days off on holidays and acquire leave.

To enable timely verification of progress at each company in relation to these initiatives, a biennial opinion survey has been conducted among Group employees since 2013. Group companies share information on the progress and accomplishments of measures to improve the issues identified by this survey at meetings of the Work Satisfaction Improvement Committee, which are attended by the relevant personnel of each Group company. Through these efforts, we seek to improve on those issues.

➤ [For details about the Seven & i Group Corporate Action Guidelines](#)

### Consumer Affairs and Fair Business Practices Subcommittee

The Consumer Affairs and Fair Business Practices Subcommittee aims to improve product quality and ensure safety in the products and services handled at Group companies. It also strives to disclose appropriate and clear information that helps customers to select and use products.

To improve product quality and ensure safety, the Subcommittee aims to establish and strengthen its own quality levels and control systems for each Group company based on Group-wide quality policies.

In disclosing appropriate and clear information, purchasing staff at each Group company are notified of the latest work-related information, such as changes in laws, and regularly receive training and education.

Furthermore, to ensure that we meet our social responsibilities regarding products and services across the entire supply chain, we ask business partners to understand and implement the Seven & i Group Business Partner Action Guidelines, and regularly confirm and assess their compliance. Additionally, to ensure fairness and transparency in our relationships with business partners, we have enhanced employee training and set up a dedicated external contact for business partners in an effort to ensure legal compliance and fair trade practices.

➤ [For details about the Seven & i Group Business Partner Action Guidelines](#)

## Environment Subcommittee

The Environment Subcommittee works through business activities to reduce CO<sub>2</sub> emissions and make effective use of limited resources, among other goals.

In reducing CO<sub>2</sub> emissions, we assess environmental loads at each stage of the supply chain from product development through production, shipment, sales, and consumption, and take steps to reduce CO<sub>2</sub> emissions. We also strive to ensure compliance with laws and regulations related to the environment, such as those dealing with chlorofluorocarbons.

To make effective use of limited resources, we promote foodstuff recycling and reduction of waste, effective use of forest thinning and recycled materials, preservation of diversity and procurement of sustainable raw materials.

In addition, the Seven & i Group possesses social infrastructure in the form of store networks in various regions. In this respect, we are utilizing the Seven & i Group's business characteristics as a social infrastructure to expand commercial recharging services for environmentally conscious automobiles such as electric vehicles and plug-in hybrids, to advance the environmental business in response to customers' needs.

To promote these initiatives within the Group, we are engaged in various activities to raise employees' awareness. For example, we conduct regular environmental education for Group employees, work to raise awareness through events in Environment Month in June, promote acquisition of the Certification Test for Environmental Specialists (Eco Test), and undertake conservation activities at Seven Forest.

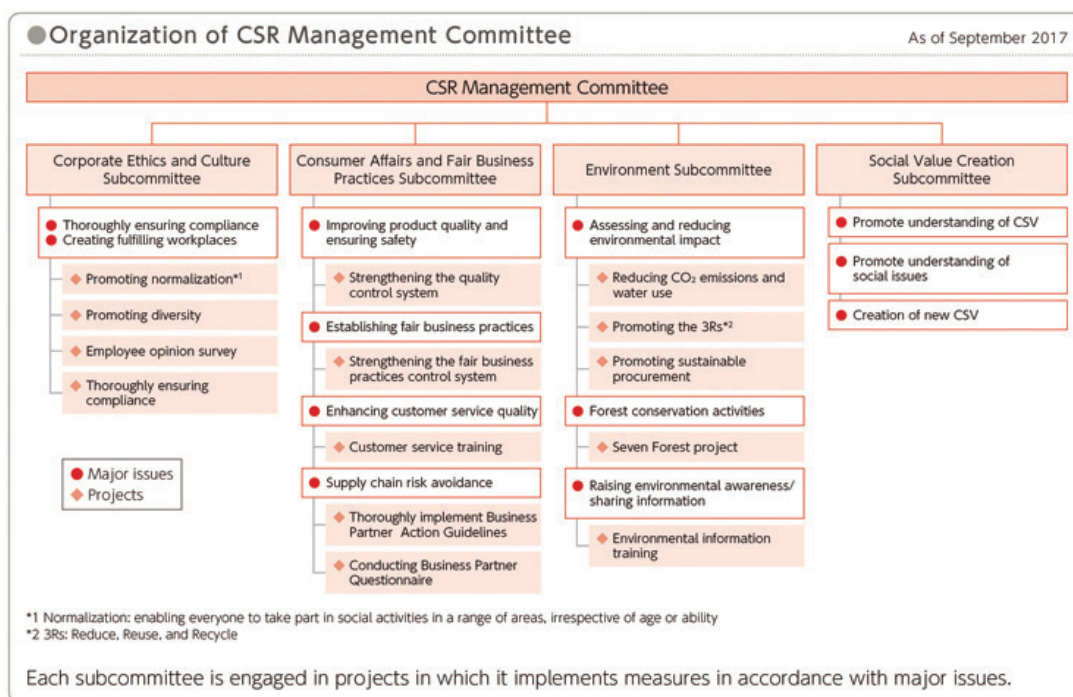
## Social Value Creation Subcommittee

The Social Value Creation Subcommittee was newly established in June 2016 for the purpose of creating businesses that solve social issues (based on the concept of CSV=Creating Shared Value).

Aiming to realize a sustainable society, the Seven & i Group has identified five material issues that it must address through engagement with various stakeholders. In response, the Social Value Creation Subcommittee is working to plan, examine, and formulate new businesses originating from social issues to be addressed through core businesses by leveraging business characteristics and management resources, including the Group's business infrastructure and expertise cultivated to date.

Moreover, it has created internal promotional frameworks by setting up conference structures similar to the Social Value Creation Subcommittee at each Group company. In addition, it will hold regular study sessions for subcommittee members and relevant personnel from each Group company to foster an understanding of CSV and social issues.

Apart from this, the subcommittee will strive to deepen initiatives with a view to fostering external collaboration with NPOs, business partners, social entrepreneurs and other partners.



## Targets and Progress by Each Subcommittee

○: Achieved, △: Almost achieved, ×: Far from achieved

Major FY2016 Targets	Results for FY2016	Evaluation	Plans for FY2017
<b>Corporate Ethics and Culture Subcommittee</b>			
<b>① Thoroughly ensuring compliance</b>			
<ul style="list-style-type: none"> <li>Create e-learning course materials on the three CSR items making reference to initiatives of the Corporate Ethics and Culture Subcommittee, existing CSR training materials at Group companies and CSR trends, etc., in Japan and overseas. Begin using the materials from the second half of the fiscal year ending February 28, 2018</li> </ul>	<ul style="list-style-type: none"> <li>Created two types of e-learning course materials: (1) the Corporate Creed and Founding Principles, and (2) CSR</li> <li>Implemented the e-learning course on the Corporate Creed and Founding Principles in November 2016.</li> </ul>	△	<ul style="list-style-type: none"> <li>Conduct e-learning on CSR and human rights (harassment) to foster a stronger awareness of CSR and compliance among employees, in response to the revision of the Seven &amp; i Holdings Corporate Action Guidelines in 2016</li> </ul>
<ul style="list-style-type: none"> <li>Hold joint Group intellectual property rights training regarding one risk from among the identified risks to which the existing organization cannot respond.</li> </ul>	<ul style="list-style-type: none"> <li>Invited an external lecturer and held a seminar on the theme of intellectual property in June 2016</li> <li>Approximately 900 attendees from the product, sales promotion and certain other departments of 25 Group companies</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue to implement awareness-raising activities for employees through such means as incorporating intellectual property into Groupwide e-learning and the existing training curricula of each company</li> </ul>
<b>② Creating fulfilling workplaces</b>			
<p>[Employee opinion survey]</p> <ul style="list-style-type: none"> <li>Establish the Professional Liaison Meeting to regularly report progress on revised plans incorporating issues raised in the opinion survey. The meeting is to be held every four months to drive improvement activities and expand beneficial initiatives to other companies</li> </ul>	<ul style="list-style-type: none"> <li>Established the Professional Liaison Meeting</li> <li>Held three meetings in March, July, and November 2016. Confirmed progress on improvement activities of each operating company and shared examples of activities.</li> </ul>	○	<ul style="list-style-type: none"> <li>Conduct the third employee opinion survey</li> <li>Hold meetings to discuss issues and devise improvement measures, with the goals of verifying the results of activities and identifying new issues in response to the results of the employee opinion survey</li> <li>Rename the Professional Liaison Meeting as the Work Satisfaction Improvement Committee and continue to confirm the progress of improvement activities and share examples of activities</li> </ul>



Major FY2016 Targets	Results for FY2016	Evaluation	Plans for FY2017
<p>[Promoting normalization]</p> <ul style="list-style-type: none"> <li>Support operating companies that permanently employ more than 101 workers in hiring people with disabilities</li> <li>Conduct education using normalization education DVD regarding people with hearing disabilities</li> <li>Maintain or exceed the statutory employment rate for people with disabilities at the five applicable Group companies</li> </ul>	<ul style="list-style-type: none"> <li>Interviewed and provided advice on hiring for operating companies concerned</li> <li>Conducted education using normalization education DVD regarding people with hearing disabilities</li> <li>Achieved employment rate for people with disabilities of 2.51% (Groupwide)</li> </ul>	○	<ul style="list-style-type: none"> <li>Strengthen support for operating companies that permanently employ at least 101 workers in hiring people with disabilities, ahead of the reduction of the statutory employment rate for people with disabilities from April 1, 2018</li> <li>Conduct education using the Human Rights Awareness Handbook booklet and DVD</li> <li>Maintain or exceed the statutory employment rate for people with disabilities at the five applicable Group companies</li> </ul>
<p>[Promoting normalization]</p> <ul style="list-style-type: none"> <li>Continue cognitive impairment supporter training courses at operating companies, aiming to have around 20,000 supporters Groupwide</li> </ul>	<ul style="list-style-type: none"> <li>Certified approximately 23,000 cognitive impairment supporters Groupwide on a cumulative basis at the end of February 2017 (Certified approximately 6,300 individuals in the fiscal year ended February 28, 2017)</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue cognitive impairment supporter training courses at operating companies, aiming to have around 26,000 supporters Groupwide</li> </ul>
<ul style="list-style-type: none"> <li>Implement employee health promotion measures and mental health strategies to help achieve the targets of Health Declaration 2018</li> </ul>	<ul style="list-style-type: none"> <li>Conducted stress checks in accordance with laws</li> <li>Provided healthy, low-sodium dishes at the employee cafeteria</li> <li>Held health campaigns</li> </ul>	○	<ul style="list-style-type: none"> <li>Launch the MY HEALTH WEB smartphone app service</li> <li>Continue to conduct stress checks</li> <li>Continue to provide healthy, low-sodium dishes at the employee cafeteria</li> <li>Continue to hold health campaigns</li> </ul>
③ Diversity Promotion Project			
<ul style="list-style-type: none"> <li>Continue to hold seminars aimed at improving the management abilities of female managers</li> <li>Implement measures to foster career ambition among female employees involved in childcare</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of female managers (Section manager or higher positions): 23.0% (February 28, 2017)</li> <li>Held four seminars aimed at improving the management abilities of female managers</li> <li>Presented message from the president to employees returning to work from after taking paid childcare leave</li> </ul>	○	<ul style="list-style-type: none"> <li>Strengthen training of female candidates for management positions</li> </ul>

Major FY2016 Targets	Results for FY2016	Evaluation	Plans for FY2017
<ul style="list-style-type: none"> <li>Implement measures to change awareness among management for managing diverse subordinates and innovating work styles</li> <li>Promote use of childcare leave among male employees and continue holding Ikumen seminars</li> </ul>	<ul style="list-style-type: none"> <li>Continued to hold diversity management seminars (four seminars with 1,640 attendees)</li> <li>Use of childcare leave among male employees—Seven &amp; i Holdings: 44 employees; SEJ: 461 employees; IY: 498 employees</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue to conduct awareness-raising activities targeting the executives and managers of Group companies</li> <li>Promote use of childcare leave among male employees</li> </ul>
<ul style="list-style-type: none"> <li>Promote knowledge and awareness of systems for balancing family care with work</li> </ul>	<ul style="list-style-type: none"> <li>Produced and utilized the Handbook for Helping Employees to Balance Work and Family Care Responsibilities</li> <li>Held two family care seminars and two care community events</li> </ul>	○	<ul style="list-style-type: none"> <li>Disseminate basic knowledge on balancing work and family care responsibilities</li> </ul>
<ul style="list-style-type: none"> <li>Continue to distribute internal notices for raising awareness of diversity promotion and work style innovation</li> <li>Aggressive external communication</li> </ul>	<ul style="list-style-type: none"> <li>Posted articles on role models (women, men involved in childcare, bosses that encourage childcare, family care) in the monthly internal newsletter</li> <li>Chosen as a Nadeshiko Brand for 2017</li> <li>Obtained the highest L-Boshi ranking of Level 3 as a gender-advanced company based on the Act on the Promotion of Women's Participation and Advancement in the Workplace</li> <li>Ranked second place overall for the second straight year in the "100 Best Companies Where Women Play an Active Part" ranking by Nikkei Woman</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue to distribute internal notices related to diversity promotion and work style innovation</li> <li>Conduct awareness-raising activities regarding LGBT issues</li> <li>Aggressive external communication</li> </ul>

Major FY2016 Targets	Results for FY2016	Evaluation	Plans for FY2017
Consumer Affairs and Fair Business Practices Subcommittee			
① Improving product quality and ensuring safety			
<p>Apparel and Household Goods</p> <ul style="list-style-type: none"> <li>Respond to regulation of azo dyes that generate specified aromatic amines</li> <li>Respond to revision of laundry care labels</li> <li>Formulate guidelines on ingredients labeling (production history guarantee)</li> </ul>	<ul style="list-style-type: none"> <li>Responded to regulation of azo dyes: Requested business partners to submit "Pledge of Non-Use" and "Proof of Analysis" and related documents, and held briefings for related departments of Group companies</li> <li>Responded to revision of laundry care labels: Conducted training for procurement officers and sales floor supervisors, and increased awareness of customers</li> <li>Formulated guidelines on ingredients labeling: Issued guidelines on confirming the factual basis and using suitable expressions when promoting the source regions of raw materials, etc.</li> </ul>	○	<ul style="list-style-type: none"> <li>Advance the development of a Groupwide quality control system <ul style="list-style-type: none"> <li>a. Develop the foundations of quality control departments at each company (personnel structure and business domains)</li> <li>b. Establish reporting lines for use in the event of incidents (establish reporting procedures)</li> <li>c. Formulate guidelines for responding to incidents</li> </ul> </li> <li>Risk management training (Implement training to enhance specialized skills for quality control managers)</li> </ul>
<p>Apparel and Household Goods</p> <ul style="list-style-type: none"> <li>Plan to conduct basic, intermediate, and advanced training for apparel products (400 employees)</li> <li>Conduct training on laundry care labels for apparel product purchasing staff (440 employees)</li> <li>Continuously to offer QC test and TES qualification</li> </ul>	<ul style="list-style-type: none"> <li>Participants in training for apparel products: 391 employees</li> <li>Participants in training on laundry care labels: 440 employees</li> <li>QC test: 8 employees passed</li> <li>TES qualification: 21 employees passed</li> </ul>	○	<ul style="list-style-type: none"> <li>Plan to conduct basic, intermediate, and advanced training for apparel products (400 employees)</li> <li>Continue to offer QC test and TES qualification</li> </ul>
<p>Food</p> <ul style="list-style-type: none"> <li>Strengthen information sharing through participation in Group company quality control managers in meetings regarding manufacture of Seven Premium items</li> <li>Have Group companies check quality control systems at manufacturing plants</li> <li>Check food product labeling prior to store delivery</li> </ul>	<ul style="list-style-type: none"> <li>Participated in monthly conferences on production and shared information through projects</li> <li>Imparted knowledge of plant audit items and implemented plant checks by quality control managers</li> <li>Checked food product labeling of Seven Premium products at Group companies</li> </ul>	○	<ul style="list-style-type: none"> <li>Advance the responses of Group companies to compulsory HACCP implementation</li> <li>Address in-store food preparation</li> <li>Address manufacturing plants from a supply chain perspective</li> </ul>

Major FY2016 Targets	Results for FY2016	Evaluation	Plans for FY2017
② Establishing fair business practices			
<ul style="list-style-type: none"> <li>With regard to legal and regulatory compliance, hold meetings as necessary to actively gather and share information within the Group, and strengthen management systems at Group companies</li> </ul>	<ul style="list-style-type: none"> <li>Held four FT Project meetings, sharing information and implementing remediation measures</li> </ul>	○	<ul style="list-style-type: none"> <li>Share information, identify issues and implement remedial measures by holding meetings as necessary</li> </ul>
<ul style="list-style-type: none"> <li>Continue to conduct twice-yearly group training for newly appointed product development managers</li> <li>Conduct e-learning and training at each Group company on the Antimonopoly Act and Subcontracting Act for employees involved in negotiating with business partners, including the abovementioned managers</li> </ul>	<ul style="list-style-type: none"> <li>Held group training for newly appointed managers in March and October. Training was attended by 195 employees from 16 companies.</li> <li>Held e-learning on the Antimonopoly Act (abuse of dominant bargaining position) and Subcontracting Act in March and November. 5,472 employees from 23 companies Group-wide participated in e-learning.</li> </ul>	○	<ul style="list-style-type: none"> <li>Conduct group training in March and October</li> <li>Conduct e-learning on product labeling in June, the Act against Unjustifiable Premiums and Misleading Representations in September, and the Antimonopoly Act (abuse of dominant bargaining position) and Subcontracting Act in November</li> </ul>
<ul style="list-style-type: none"> <li>Conduct business partner survey to ensure regulatory and legal compliance in dealings with business partners and boost ethicality</li> </ul>	<ul style="list-style-type: none"> <li>Surveyed the product, systems, construction, and certain other departments of five companies (IY, SEJ, Sogo &amp; Seibu, Seven &amp; i Food Systems and Seven &amp; i Holdings). 5,534 responses were received, and remedial measures were implemented at each department and company.</li> </ul>	○	<ul style="list-style-type: none"> <li>Conduct at 27 Group companies</li> </ul>
Environment Subcommittee			
① Understanding and reducing environmental impacts			
<ul style="list-style-type: none"> <li>Continue to calculate Scope 3 emissions for 10 Group companies</li> </ul>	<ul style="list-style-type: none"> <li>Continued to calculate for 10 Group companies</li> </ul>	○	<ul style="list-style-type: none"> <li>Implement third-party trials at Category 1 for SEJ, which has a large amount of Scope 3 emissions</li> </ul>
<ul style="list-style-type: none"> <li>Install test machines at four 7-Eleven stores using the Ministry of Environment's trial project on automatic PET bottle recovery machines</li> </ul>	<ul style="list-style-type: none"> <li>In addition to the four 7-Eleven stores undertaking the Ministry of Environment's trial project, tests of small machines for convenience stores were initiated following installation at five stores in total.</li> </ul>	○	<ul style="list-style-type: none"> <li>Expand stores installing small machines for convenience stores in the fiscal year ending February 28, 2018 by using the Ministry of Environment's trial project</li> </ul>
<ul style="list-style-type: none"> <li>Move the four companies to the revised standard 2015 version of ISO 14001</li> </ul>	<ul style="list-style-type: none"> <li>Finished moving the four companies</li> </ul>	○	

Major FY2016 Targets	Results for FY2016	Evaluation	Plans for FY2017
② Forest conservation activities			
<ul style="list-style-type: none"> <li>Conduct activities with consideration for diversity, aiming to have at least 120 participants in both the spring and autumn Nagano Seven Forest preservation activities</li> </ul>	<ul style="list-style-type: none"> <li>Seven Forest preservation activities had 83 participants in the spring and 97 participants in the autumn</li> </ul>	△	<ul style="list-style-type: none"> <li>Begin Nagano Seven Forest preservation activities at a new location in Nagano, following the expiry of the agreement for the current Nagano Seven Forest</li> </ul>
<ul style="list-style-type: none"> <li>Use environmentally friendly packaging (products) in at least 100 Seven Premium items</li> </ul>	<ul style="list-style-type: none"> <li>Used environmentally friendly packaging materials in 150 items</li> </ul>	○	<ul style="list-style-type: none"> <li>Use environmentally friendly packaging materials in 740 Seven Premium items</li> </ul>
③ Raising environmental awareness/sharing information			
<ul style="list-style-type: none"> <li>Aim to have 1,000 employees take the Certification Test for Environmental Specialists, with 700 passing for a cumulative total of over 2,000 qualified personnel</li> </ul>	<ul style="list-style-type: none"> <li>1,255 employees took the Certification Test for Environmental Specialists 983 employees passed the Certification Test for Environmental Specialists Cumulative total of qualified personnel: 2,364 employees</li> </ul>	○	<ul style="list-style-type: none"> <li>Aim to have 1,700 employees pass the Certification Test for Environmental Specialists</li> </ul>
Social Value Creation Subcommittee			
① Promote understanding of CSV			
<ul style="list-style-type: none"> <li>Disseminate the CSV approach</li> </ul>	<ul style="list-style-type: none"> <li>Communicated information through the Company newsletter and other means</li> <li>Held study sessions led by CSV experts invited to serve as instructors from outside the Company, in order to instill a firm understanding of CSV</li> </ul>	—	<ul style="list-style-type: none"> <li>Create opportunities to promote understanding of CSV</li> </ul>
② Promote understanding of social issues			
<ul style="list-style-type: none"> <li>Monitor the impact of the Company on the environment and society</li> </ul>	<ul style="list-style-type: none"> <li>Held study sessions led by instructors invited from two NPOs and other companies involved in solving social issues, in order to gain a deep understanding of social issues</li> </ul>	—	<ul style="list-style-type: none"> <li>Create opportunities for employees to gain a deep understanding of the social issues underlying the five material issues that the Group should address</li> </ul>
③ Create new CSV businesses			
<ul style="list-style-type: none"> <li>Establish promotional frameworks at operating companies</li> </ul>	<ul style="list-style-type: none"> <li>Internal promotional frameworks were established by 19 operating companies with a view to creating businesses originating from social issues</li> </ul>	—	<ul style="list-style-type: none"> <li>Plan, formulate, and execute new businesses originating from social issues at Group companies</li> <li>Consider collaborations led by Group companies and external collaborations with NPOs and business partners</li> </ul>

## CSR Training for Employees

Seven & i Holdings provides employees with CSR training via group training when they join the company or are appointed to a new position through promotion or advancement in rank, in addition to using such means as the Company newsletter, quarterly reports, and the CSR Report.

Study groups, seminars, and the like are held regularly for specialized fields including compliance, diversity, and the environment, and information about volunteering is communicated to employees through the intranet.

Additionally, in the fiscal year ending February 28, 2017, we plan to conduct CSR training via e-Learning for all employees at domestic Group companies.



## Seven & i Holdings' Material Issues

Seven & i Holdings has conducted dialogues with various stakeholders and in 2014 determined material issues that should be addressed so that the entire Group can respond to the expectations and demands of stakeholders. We will introduce the determination process here.

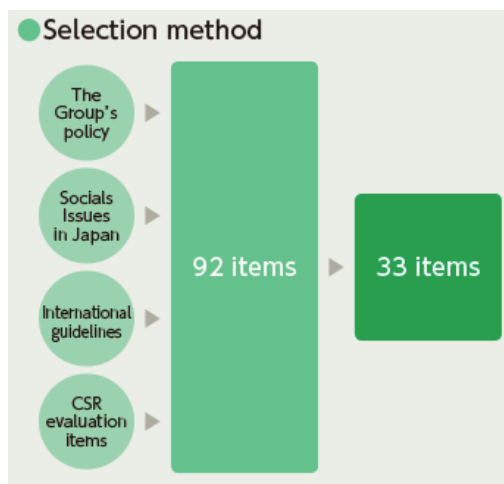
### Purpose of Material Issues Determination

- Concentrate on key issues that Seven & i Holdings should address in particular, and respond appropriately as the scope of its business expands and related social issues and social demands become more diverse.
- Clarify the direction towards CSR for the entire Group and maximize Group synergies.
- Implement CSR management and information disclosure in line with global standards.

### Material Issues Determination Process

#### STEP 1 Identify social issues that should be considered

To determine the material issues, we identified social issues that should be considered. In addition to the Group's Corporate Action Guidelines and other policies, global frameworks such as GRI Guidelines G4, ISO 26000, and Millennium Development Goals; issues facing Japan, such as those debated by the Japanese government; and survey items of CSR rating agencies were also taken into consideration to identify social issues that should be addressed.





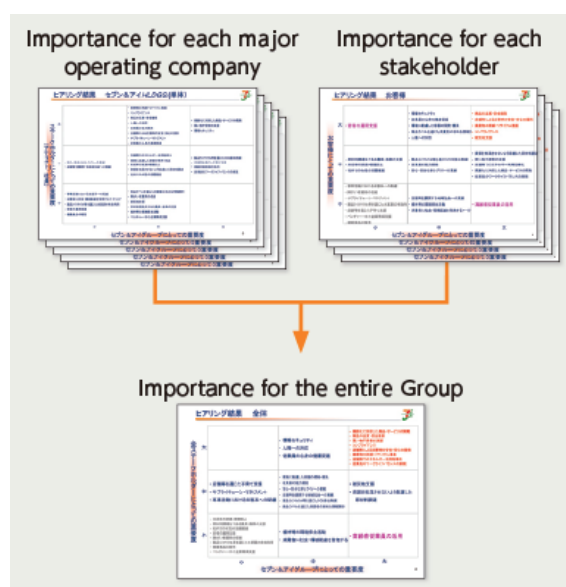
## STEP 2 Interviews with stakeholders

An interview survey in a questionnaire format was conducted with customers, business partners, shareholders and investors, and employees to understand the future expectations and demands of all stakeholders for the Group for the identified social issues. An assessment was made of how much of a priority the Group should place on each issue.

Stakeholders interviewed and their expectations		
	Scope of interviews	Expectations of stakeholders (examples)
Customers	Customers of major operating companies	<ul style="list-style-type: none"> <li>Improving product safety</li> <li>Securely protecting personal information, etc.</li> </ul>
Business partners	Main business partners of major operating companies	<ul style="list-style-type: none"> <li>Further improvement of reliability throughout the entire value chain through shopping assistance for people who feel inconvenient for shopping</li> <li>Continuing support for disaster areas, etc.</li> </ul>
Shareholders and investors	Retail industry analysts	<ul style="list-style-type: none"> <li>Responding to disposal loss</li> <li>Supporting the needs of elderly people</li> </ul>
Employees	Executives and employees of major Group companies	<ul style="list-style-type: none"> <li>Responding to population aging throughout the entire Group</li> <li>Pursuing further quality and safety, etc.</li> </ul>

## STEP 3 Prepare candidate material issues based on the interview results

Based on the expectations of each stakeholder, the importance of the social issues was evaluated based on the two axes of the importance to each stakeholder and the importance to our Group business. Furthermore, after consolidating these axes to evaluate the overall level of importance, we prepared candidate material issues for the entire Group.

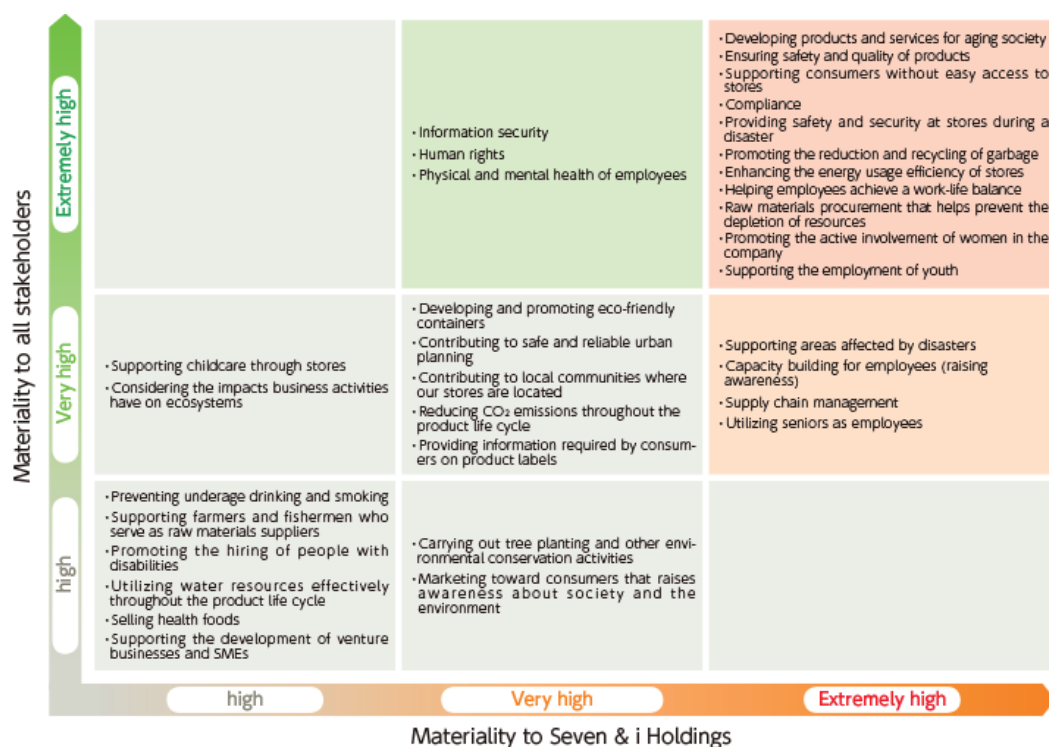


## STEP 4 Dialogue with experts

Based on our candidate material issues, we conducted dialogues with experts to discuss what issues Seven & i Holdings should focus on. These dialogues were held between members of the management of Seven & i Holdings and core operating companies, including the President and Representative Director. Opportunities were established to discuss the entire Group and to discuss each business area as opinions were exchanged with experts.

## STEP 5 Decide on material issues

We reviewed the importance of the various candidate material issues based on the opinions of stakeholders and experts and summarized them anew. Having sorted the candidate material issues by importance, we integrated the items of greatest importance for stakeholders and the Group's business into five areas that took into account their various associations. The CSR Management Committee, chaired by the President, decided on the material issues that Seven & i Holdings should address as a Group.



## Seven & i Holdings' Material Issues

### Material Issue 1

Providing Social Infrastructure for an Aging Society and Declining Population



[➤ More](#)

### Material Issue 2

Providing Safety and Reliability through Products and Stores



[➤ More](#)

### Material Issue 3

Non Wasteful Usage of Products, Ingredients and Energy



[➤ More](#)

### Material Issue 4

Supporting the Active Role of Women, Youth and Seniors across the Group and in Society



[➤ More](#)

### Material Issue 5

Building an Ethical Society and Improving Resource Sustainability Together with Customers and Business Partners



[➤ More](#)

## Material Issue 1 Providing Social Infrastructure for an Aging Society and Declining Population

### Approach to Material Issues

Seven & i Holdings is working to enhance the convenience of shopping while leveraging the unique aspects of its business and some 20,000-store network as a form of social infrastructure to support consumers inconvenienced by shopping and to respond to changes taking place in society. These changes include Japan's decrease in population brought on by a declining birthrate and aging society, the advancement of women in society, and the declining number of retail stores, among others. We recognize that fulfilling these diverse needs of our customers is one of our most important and unwavering roles in society. We will continue to tackle these issues as our most importance issues.

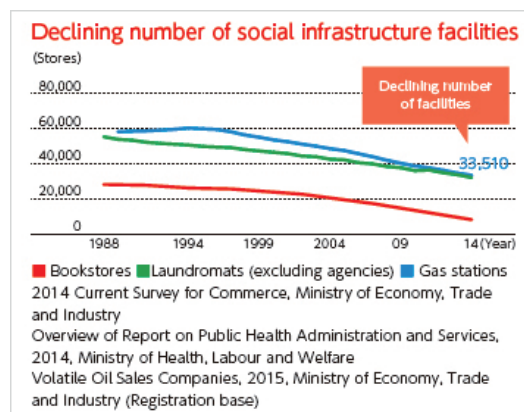
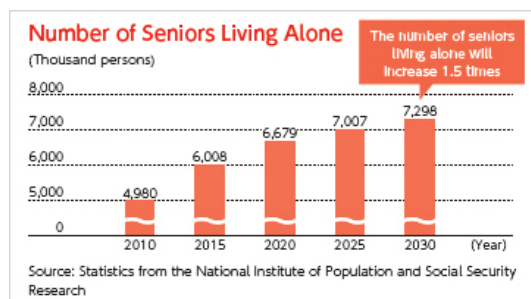
### Background to Material Issues

#### Inconvenience of shopping and other services due to the hollowing out of lifestyle hubs following the aging of society and decline of the population

Japan is experiencing an aging society and declining population. By the year 2060, the country's population will dip below 90 million and nearly 40% will be seniors\*. The number of seniors living alone continues to increase each year, with the number expected to rise 1.5-fold from the level in 2010 by 2030.

Meanwhile, the hollowing out of lifestyle hubs following the declining population stands as one of Japan's major social issues. Forecasts suggest that the number of seniors living alone without walkable access to a supermarket with fresh produce and meat will double by the year 2030.

\* Source: FY2013 Population Estimates, Statistics Bureau, Ministry of Internal Affairs and Communications



### Promotional Framework for Material Issues

In response to this material issue, the CSR Management Committee, led by the president, and its subordinate Social Value Creation Subcommittee, work together with the Group companies and related departments to develop various services as initiatives to resolve social issues through business activities, as well as monitoring the progress of activities and promoting new initiatives. These activities are supervised by the Seven and i Holdings executive officer in charge of Corporate Communication.

## Contribution to SDGs

By addressing these material issues, Seven & i Holdings is providing social infrastructure such as public services to a variety of people, including the elderly, and contributing to the achievement of Sustainable Development Goals 9 and 11.



## Seven & i Holdings' Initiatives

### Shopping Support

We are working to create new "shopping support" services to assist customers for whom shopping is an inconvenience.

[➤ More](#)

### Reducing Housework

We are developing and selling cooked meal products based on the concept of individual servings, small volume, and simplicity for those who find meals inconvenient or difficult.

[➤ More](#)

### Expanding Services as a Form of Social Infrastructure

We are providing public services to alleviate inconvenience for those whose lifestyles are affected by the decline in neighborhood social infrastructure.

[➤ More](#)

### Providing Services to a Wide Range of Customers

We are expanding services and supporting shopping to enable all customers to visit and shop at our stores with ease and peace of mind.

[➤ More](#)

## Material Issue 1 Providing Social Infrastructure for an Aging Society and Declining Population

### Shopping Support

Seven & i Holdings will support people for whom shopping is an inconvenience by utilizing the infrastructure it has developed, such as store networks and logistics and information systems, to create new products and services for shopping support.



### Omni-Channel

The Seven & i Holdings Group is working to realize an Omni-Channel where customers can order any of the Group's products and choose to pick them up from a local Group store or have them delivered to their homes, as well as return unwanted items. In addition to sales at stores, customers can also order products using their PC or smartphone. For those who are not used to operating a PC, store staff will offer assistance. They will also check in on customers who cannot easily leave home to ask about their needs. In this way, we aim to realize shopping styles that allow customers to purchase what they want in the most convenient way for them.



Shopping Support When Delivering Products

### Seven RakuRaku Delivery Provides Home Delivery of Products from Stores

SEJ offers the Seven RakuRaku Delivery service, which provides home delivery for nearly every product sold in its stores. Orders can be placed in advance by telephone or through other means. The service operates a fleet of some 800 "COMS" ultra-small electric vehicles and SEJ is also moving forward with the introduction of around 2,600 power assisted bicycles (as of March 31, 2017).



Seven RakuRaku Delivery



## Net Supermarkets

IY operates Net Supermarket at 136 stores (as of February 28, 2017) to provide scheduled deliveries of products ordered by customers using PCs or smartphones. Net Supermarket delivers from nearby stores in as little as four hours. The service deals in food and household goods, and pharmaceutical products were added in November 2013. In December 2014, we started offering a service to help parents raising children. With this service, parents who present and register a maternity notebook issued within the last four years can receive deliveries at a fee of only ¥100 (including tax) for four years from the maternity registration date.



Net Supermarkets

## The mobile store services Seven Anshin Delivery and Ito-Yokado Anshin Delivery

SEJ operates the Seven Anshin Delivery mobile store service at 38 stores in 22 prefectures. This service utilizes proprietary developed light trucks equipped with store facilities, which go to areas that are inconvenient for daily shopping and where many residents are seniors who have trouble securing means of transportation. Customers are able to purchase a range of foods and beverages, including frozen foods, using this service. Plans call for this service to be expanded further in the future to fulfill the needs of customers.

IY also uses its own specially developed trucks equipped with store facilities to provide the Ito-Yokado Anshin Delivery mobile store service at five stores in Nagano Prefecture, Sapporo City, Tama City, Hanamaki City, and Iwaki City (as of May 31, 2017).



Seven Anshin Delivery



Ito-Yokado Anshin Delivery



## Material Issue 1 Providing Social Infrastructure for an Aging Society and Declining Population

### Reducing Housework

Seven & i Holdings is developing and selling cooked meal products based on the concept of individual servings, small volume, and simplicity for those who find meals inconvenient or difficult to respond to customer demand for saving time and reducing the hassle of housework.



### Seven Meal Delivery Service

SEJ provides the Seven-Meal home delivery service at some 15,000 of its stores (as of May 31, 2017). The service provides nutritionally balanced meal sets for those who want to eat healthily. Meals are ordered by customers such as seniors and stay-at-home parents who feel inconvenienced by daily meal preparation.

Moreover, SEJ has concluded senior support agreements with local governments, under which local stores in prefectures and municipalities check on the security of seniors and look out for them when delivering their meals. In this way, we are promoting Seven-Meal as lifestyle infrastructure that goes beyond the scope of a simple service.



Delivering Food to the Home

## Developing Products and Services that Make Meal Preparation Easy

SEJ's Seven Premium private brand is also developing products that are easy to prepare and reduce the hassle of housework to meet the needs of customers. The products include simple dishes that can be served directly or need only to be cooked, as well as easy-to-use frozen foods that can be cooked in the microwave. SEJ is also pursuing retention of tastiness and developing a menu of items that can be preserved for a long time and prepared for eating simply by heating in the microwave.



Product Development in Collaboration with Manufacturers and Vendors

## Material Issue 1 Providing Social Infrastructure for an Aging Society and Declining Population

### Expanding Services as a Form of Social Infrastructure

Seven & i Holdings works in collaboration with local governments to provide public services to alleviate inconvenience for those whose lifestyles are affected by the decrease in social infrastructure such as local government offices, banks, and retail stores.



### Promoting Alliances with Municipalities through Comprehensive Alliance Agreements and Other Means

The Seven & i Group is promoting regional revitalization by concluding comprehensive alliance agreements with local governments in a wide range of fields, including local production for local consumption, senior support, health promotion, and environmental protection. Moreover, we are also moving ahead on concluding “guardian angel agreements” with local governments to look out for the likes of elderly people during regular store operating hours or through delivery services and collaborating with local governments to respond if irregularities are detected, as well as to promote employment of senior citizens, train cognitive impairment supporters and take other measures.

In other developments, we have also concluded “supply-support agreements” to prepare for rapid regional support in the event of disasters, and we are also promoting “agreements for supporting people who cannot return home after a disaster” where we provide tap water, access to restrooms, and local information wherever possible.

#### Number of Agreements with Local Governments for Each Company

	As of February 29, 2016	As of June 30, 2017
Seven-Eleven Japan	56	81
Ito-Yokado	19	33
Sogo & Seibu	6	8
York-Benimaru	3	5
York Mart	–	1
Seven & i Food Systems	–	1
Total	84	129



Ceremony to mark conclusion of a comprehensive alliance agreement with Toyama Prefecture

➤ For information regarding support during disasters, click [here](#)

## Support for Regional Revitalization in Cooperation with Local Governments

The Seven & i Group makes use of comprehensive alliance agreements to promote various regional revitalization initiatives with respective local governments.

SEJ recognizes the importance of local flavors and food cultures by developing products that use local ingredients. IY, Sogo & Seibu, York Mart and other Group companies propose menus using local products and ingredients, helping to support regional revitalization by promoting the appeal of the local area.



7-Eleven stores in the Shikoku area sell Kochi Prefecture-Grown Ginger Rice and Chicken Soboro Rice Balls”) featuring ginger grown in Kochi Prefecture.



“Fukui Specialty Food Fair” Held at Seibu Fukui Store

## Government Services (Issuance of Various Certificates)

7-Eleven stores offer a service for issuing copies of residence certificates and seal registration certificates using in-store multi-functional copier machines. As of May 31, 2017 agreements for this service were in place with 417 municipalities. This service is currently being expanded, as family register certificates can now be issued for 253 municipalities and tax certificates for 254. (Individual number cards are required to use the service) This service for individual number card holders is easily operable and can be used even late at night and on holidays, simply by waving the individual number card over a scanner. Private information is given high security protection by a sophisticated dedicated network and special printing prevents forgery and manipulation.



Various certificates can be issued using the multi-function copier machines

## Insurance Enrollment and Premium Payment Service

7-Eleven stores became the first in the industry to offer motorcycle and bicycle insurance enrollment and insurance premium payment services where customers can enroll in insurance 24 hours a day by entering the necessary personal information on the multi-functional copier machine screen in store and paying their premium at the register. (The service is for motor scooters and motorcycles with an engine displacement of 250 cc or less, which do not require a warrant of fitness.)

Since September 2015, “1 DAY Insurance” providing automotive insurance coverage in 24-hour intervals has been on sale at 7-Eleven stores. Through sales of this insurance, 7-Eleven supports customers’ motoring activities and contributes to the realization of a safe and secure motorized society.

## Establishment of Polling Stations in Stores

IY and Sogo & Seibu provide facilities within stores to be used free of charge for use as polling booths in cooperation with local governments to provide voters with easily accessible polling booths that are handy to shopping facilities. Local governments seek to increase the voting rate due to the reduction in number of polling booths and decline in voting rate due to the merger of municipalities, in addition to the enactment of the revised Public Offices Election Act, which lowered the voting age to 18. The booths are used to provide easy access to voters while they are shopping. During the fiscal year ended February 28, 2017, polling booths were set up in 23 stores and election promotion activities were carried out within stores, such as displaying posters, in-store announcements and printing the election date on receipts.



A polling booth set up in a store

## Material Issue 1 Providing Social Infrastructure for an Aging Society and Declining Population

### Providing Services to a Wide Range of Customers

Seven & i Holdings is expanding services and supporting shopping to enable easy use by all customers, including senior citizens, people with disabilities, and tourists from overseas, whose numbers are increasing yearly.



### Training Cognitive Impairment Supporters

Seven & i Holdings supports the creation of neighborhoods where local residents who suffer from cognitive impairment and their families can live with security. To this end, we are encouraging our employees to attend cognitive impairment supporter training courses.

Each Group company holds training courses, and the number of supporters Groupwide had increased to about 23,000 as of February 28, 2017, achieving the target of 20,000. We will continue to strengthen our efforts to develop cognitive impairment supporters.



Cognitive impairment supporter training



## Marketing Products that Support Senior Lifestyles

Ito-Yokado is developing the Anshin Support Shop at 107 stores, which carries a full lineup of apparel, daily essentials, and foods, including products that support the health and lifestyles of seniors and care products (as of May 31, 2017). About 40% of products sold are original products developed together with business partners, and sales are conducted by sales staff with specialized qualifications who are also able to deal with consultations regarding nursing care and welfare issues in general.

In addition, Sogo & Seibu has teamed up with the Caring Design Association to establish a permanent “Living Design Salon” at the Seibu Ikebukuro Store for supporting living and home design for customers aged in their 50s and above. The facility proposes appealing homes that casually incorporate care and support features for the physical changes that occur with age, aiming to enable people to live in their own way even as they grow older.



Anshin Support Shop

## Services for Foreign Travelers

The Seven & i Group launched tax-free services at certain stores within every Group company in December 2014, after the range of consumption tax-exempt items for foreign visitors was expanded to cover all items.

Moreover, Seven Bank ATMs offer cash withdrawal services on overseas-issued cards, while stores also offer free in-store Wi-Fi services. Seven Spot in response to strong demand from overseas travelers.



Tax-free service section

## Disseminating information to support everyday living for foreigners

Seven Bank provides an overseas remittance app available in nine languages for customers who make use of overseas remittance services. In 2016, we started concluding agreements for promoting multicultural coexistence with local governments in areas with high concentrations of foreign residents. The agreements are mainly intended to disseminate local information through the app. Information about living in these areas, disaster information, and so forth is disseminated in multiple languages through the app to residents, providing support for customers so that they can live safely and conveniently in Japan. As of May 31, 2017, we have concluded agreements with five local governments, and we plan to continue expanding this initiative.



## ATM Machines That Diverse Customers Can Operate Easily

Seven Bank is making daily progress on the ATM functions and services so that all customers can use them with confidence. With the voice guidance service, which is mainly for customers with visual disabilities, users can make a transaction by following voice guidance delivered through an intercom phone installed on the ATM to operate the buttons. Customers with the cash cards of around 540 affiliated partner financial institutions\* can also use this service. This voice guidance system was developed after soliciting feedback from people with visual disabilities and testing various solutions.

Furthermore, ATMs in 7-Eleven stores now feature cane and drink holders to make them easy for anyone to use.

\* Banks, credit unions, credit cooperatives, labor banks, JA banks, JF Marine banks, and securities companies that are partners with Seven Bank. This service is not offered for insurance companies or credit card companies, even if they are a partner of Seven Bank.



Voice guidance service



ATM with cane / drink holder installed

## Material Issue 2 Providing Safety and Reliability through Products and Stores

### Approach to Material Issues

The Seven & i Group handles about 3 million product items at its stores at each company, and also develops a variety of private brand products. Because of this, we place the utmost importance on ensuring the quality of our products, including their safety and reliability. We also recognize the material issue of our role as a social infrastructure that can be used with peace of mind, even in emergencies such as natural disasters.

#### ■ Relevant policy

➤ [Quality Policy](#)

### Background to Material Issues

#### Food Safety

With the globalization of food and the occurrence in recent years of incidents and accidents that threaten food safety and security food, there is a growing interest in food safety, including the issues of controlling raw materials, food additives, and residual agrichemicals. In particular, answers to a survey by the Cabinet Office showed that about 70% of people feel uneasy about food safety and want companies to be required to further strengthen their quality control systems.

#### Degree of Anxiety about Food Safety

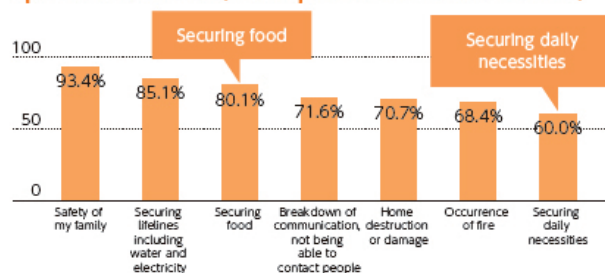


Source: Results of the report entitled Awareness About Food Safety (2015)  
Consumer Affairs Agency

#### Frequent Natural Disasters

In recent years, floods and landslides due to heavy rain occur frequently, driven by climate change and other factors. Also, many natural disasters such as large-scale earthquakes continue to occur in connection with the location of the Japanese archipelago. In Japan, especially, where many people suffer due to natural disasters, social infrastructure, such as the provision of the goods and services necessary for daily life, plays an important role when a large-scale disaster occurs. The Company is expected to ensure business continuity to provide a safe and secure base.

#### What are your worries about when an earthquake occurs? (Multiple answers allowed)



Source: "Questionnaire on Disasters" (August 2011),  
Meiji Yasuda Life Insurance Company

## Promotional Framework for Material Issues

In response to this material issue, the CSR Management Committee, led by the president, and its subordinate Consumer Affairs and Fair Business Practices Subcommittee, work together with the Group companies and related departments to provide safety and reliability through products and stores. The Group is also working to ensure information security under the Group Information Management Committee. These activities are supervised by the Seven and i Holdings executive officer in charge of Corporate Communication.

## Contribution to SDGs

By tackling this priority issue, Seven & i Holdings will provide living bases that ensure people's safety and security in the event of natural disasters due to climate change, and will contribute to achieving Sustainable Development Goals 9 and 13.



## Seven & i Holdings' Initiatives

### Building a Quality Control System

We are working to adopt international management system standards and management techniques concerning quality and hygiene in order to provide safe and reliable products to customers.

[➤ More](#)

### Food Traceability

We proactively disclose product traceability information (distribution history) in all processes from the procurement of raw materials to sales.

[➤ More](#)

### Consideration to Health

In light of customers' increasing health consciousness, we are working to reduce the use of food additives and provide nutritionally well balanced food.

[➤ More](#)

### Communication with Customers

We have set up a "customer consultation desk" at each Group company to obtain opinions, requests, and other feedback from customers and respond promptly, in order to improve products and services from the standpoint of customers.

[➤ More](#)

### Information Security and Personal Information Protection

We are implementing information security measures based on the belief that appropriately securing and managing the safety of information assets handled by the Seven & i Group is a vital responsibility.

[➤ More](#)

### Appropriate Disclosure of Information on Products and Services

We strive to label products accurately and clearly in order to provide an appropriate selection of product and service options for customers, while taking care to avoid any misleading labeling.

[➤ More](#)

### Implementing Crime Prevention Measures for Local Communities

We cooperate with community crime prevention efforts in order to ensure that customers can visit and shop at our stores safely and reliably.

[➤ More](#)

### Disaster Assistance

We endeavor to reopen stores promptly and keep stores open in the event of a disaster to fulfill our mission as a lifeline for communities.

[➤ More](#)

### Disaster Reconstruction Support

Leveraging our strengths as a retailer, we are proactively procuring goods from business partners in the afflicted areas and selling them to customers across Japan.

[➤ More](#)

## Material Issue 2 Providing Safety and Reliability through Products and Stores

### Building a Quality Control System

Seven & i Holdings is working to introduce international management system standards and management methods regarding quality and hygiene in order to provide safe and reliable products to customers.



### Establishing a Foundation for Quality Control in Each Group Company

Seven & i Holdings is working to establish quality control systems, recognizing that a product incident at one Group company affects the entire Group. Product control officers at the development division for the Seven Premium private brand, 12 Group companies that handle food products and 11 that handle apparel and household items meet regularly to share their policies and information. These activities are designed to prevent incidents and strengthen the Group's ability to respond rapidly when incidents occur. Specifically, Group companies are working to establish the following foundation for quality control.

#### Establishing a Foundation for Quality Control

1. A structure with a dedicated department that can respond to incidents objectively.
2. A structure for reporting major incidents quickly to the top management.
3. Guidelines for judging whether to recall products or continue sales if a serious incident occurs.

### Adoption of the NDF-HACCP Certification System

SEJ has adopted the (Hazard Analysis and Critical Control Point) HACCP<sup>\*1</sup> method since 1997 as a method to manage food hygiene. In addition, for review and certification of the quality control status of dedicated plants, we check their compliance with a safety standard of approximately 140 check items based on HACCP. Based on the results of this check, high-quality plants recognized to be above a certain level are certified under our NDF-HACCP Certification System. A third party is commissioned with the inspection, and the results are inspected and certified by the Nihon Delica Foods Association (NDF)<sup>\*2</sup>. Moreover, Seven-Eleven JapanSEJ is conducting audits to maintain the level of quality management even after the acquisition of certification.

<sup>\*1</sup> HACCP: A process management system that analyzes hazards at each step of production, from ingredient acceptance through to product finalization, and provides continuous monitoring and recording of critically important hazard prevention processes.

<sup>\*2</sup> Nihon Delica Foods Association (NDF): The NDF was formed in 1979 to improve hygiene quality management levels at deli product manufacturing facilities and to eliminate region-based quality differences.

➤ [For more details about SEJ initiatives \(Japanese Only\)](#)



## Acquisition of JGAP Certification

For our private brands Fruits and Vegetables with Traceability at Ito-YokadoY, we are working to acquire the Japan Good Agricultural Practice certification, recommended by the Ministry of Agriculture, Forestry and Fisheries, in order to further improve the level of our quality management.

JGAP sets standards that should be implemented in day-to-day agricultural management to improve safety and protect the environment. Certification has been acquired for 17 20 locations as of February 2928, 20162017, and efforts will be made for further certification going forward.

➤ [For more details about Ito-Yokado initiatives \(Japanese Only\)](#) 

## Hygiene Management Based on ISO 9001

At Seven & i Food Systems, the QC Office that serves as the hygiene management division has acquired the ISO 9001 international standard concerning quality management (application scope consisting of food hygiene management system standards and provision at stores). Utilizing this system, efforts are made to improve hygiene management at stores and educate employees.

In hygiene management, an emphasis is put on easy-to-understand freshness management that can be implemented by anyone. A dedicated internal department conducts checks at stores, and random checks of store hygiene are also conducted by a third-party hygiene inspection agency (wipe inspection).

➤ [For more details about Seven & i Foods Systems initiatives \(Japanese Only\)](#) 



## Inspection for Radioactive Substances

In response to an increase in inquiries since the Great East Japan Earthquake, the Seven & i Holdings Group has received voluntarily conducts inspections and confirmations to complement the monitoring survey of radioactive materials that was carried out by the government and we have posted details on our website.

The Radioactivity Project was established as an internal organization at YB to enable customers to shop with confidence by complementing the monitoring surveys on radioactive substances implemented by the government. We install equipment for measuring radioactive substances at key points within the area where we have established stores, and an internal organization conducts regular inspections. The inspection results are announced on the company's website. For the case of our private brand Three-Star Fruit and Vegetables, we endeavor to sell products that meet the criteria by having buyers visit production sites and conduct soil inspections and independent inspections on samples.

Inspections for radioactive substance are also conducted for IY's Foods with Traceability and the results are published on the company's website.

➤ [For more details about IY initiatives \(Japanese Only\)](#) 

➤ [For results of the inspection at York-Benimaru \(Japanese Only\)](#) 

## Material Issue 2 Providing Safety and Reliability through Products and Stores

### Food Traceability

The Seven & i Group proactively discloses traceability of products as an initiative to emphasize the safety and reliability of its products at all stages from raw materials procurement through to sales.

#### “Fresh Foods with Traceability” and “Products with Visible Production Areas” Initiatives

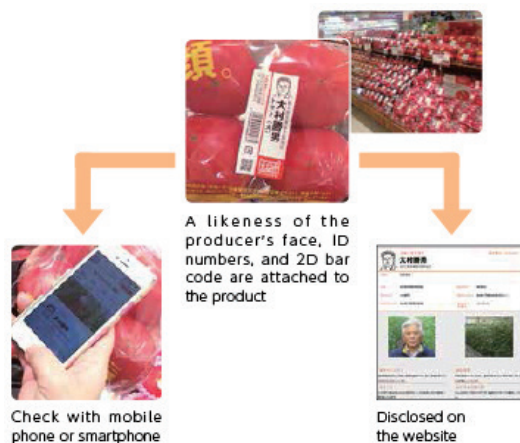
IY sells products under its private brand Foods with Traceability, where we achieve an accurate understanding of production sites, production methods, and distribution channels and communicate these to customers. For these products, our procurement officers check with producers at the production sites to ensure that they are using appropriate cultivation and stock-raising management. Before the products are sold, various tests are conducted, including agricultural chemical residue tests, as well as soil, feed, and water quality tests, and third-party confirmation is obtained. Furthermore, radioactive substances are also inspected under stringent standards that are stricter than the statutory standards.

Customers can confirm producer and inspection-results information for Foods with Traceability products on the IY website using a PC or smartphone. As of February 28, 2017, 229 items are handled under the Foods with Traceability brand, covering all fresh foods including vegetables, fruits, meat, eggs, and fish. Also, York-Benimaru has established a section called “York-Benimaru Products with Visible Production Areas” on its website, providing information on the production site, characteristics, production process, producers, and other aspects of the fresh food that the company has carefully selected. Customers can input the production number displayed the product label to display its production history. As of February 29, 2016, we are handling about 30 product items under this system.

➤ [For more details about IY initiatives \(Japanese Only\)](#) 

➤ [For more details about York-Benimaru initiatives \(Japanese Only\)](#) 

Producer Information Disclosure Methods (Example of IY)





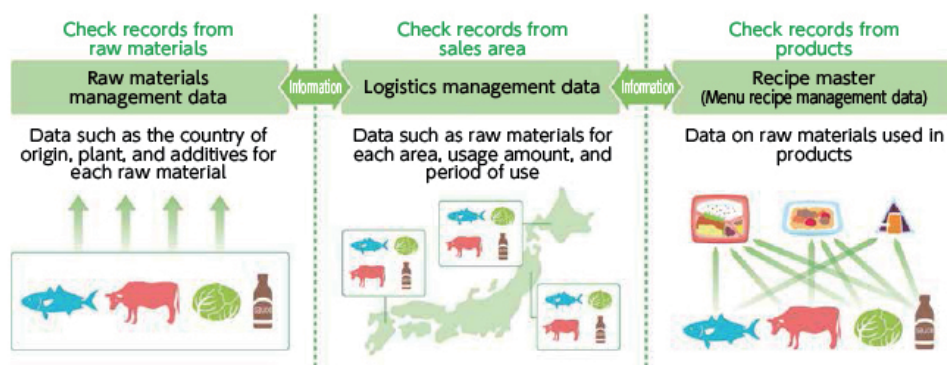
## Centralized Management of Production Records

SEJ uses an average of 40 different food materials (including seasonings) per daily food product item, which includes rice and side dishes. To manage these individual products and correctly grasp which production facilities produced them and which materials have been used in which regions, SEJ manages information from all its approximately 160 dedicated plants using a database system and links this to the point-of-sale data at its stores to precisely manage the production history of its products, from the production region of the materials used to the stores where the products are sold. This enables any problems that arise in connection with food materials, for example, to be addressed immediately. Further, to make absolutely sure about the products it sells, SEJ also verifies whether products contain any additives or allergens.

In addition, SEJ is also able to precisely track the volume of food materials, packaging and containers used at every plant, which helps it reduce waste by limiting excess production, for instance. Moreover, the company voluntarily conducts DNA testing on rice to prevent the admixture of other varieties as well as testing for radioactive substances.

➤ [For more details about SEJ's initiatives \(Japanese Only\)](#) 

### SEJ's Raw Material Production Record Management Framework



## Material Issue 2 Providing Safety and Reliability through Products and Stores

### Consideration of Health

Amid increasing public interest in health and nutrition, including the problems of obesity, diabetes, metabolic syndrome and nutritional deficiencies, Seven & i Holdings is responding to a stronger health orientation among customers by working to reduce the use of food additives and provide food products with a good balance of nutrients.



### Reducing the Use of Food Additives

Seven & i Holdings is taking steps to reduce the use of additives in food products as a step towards providing health conscious products. For example, 7-Eleven's original daily foods, numbering around 2,000 items including rice balls and boxed lunches, and IY's delicatessen items, boxed lunches, and sushi produced in-store are all free from synthetic coloring agents and preservatives. Further, since 2007 SEJ has eliminated phosphates, from approximately 30 varieties of ham and sausage products used in original sandwich products, as excessive consumption of phosphates may block the absorption of calcium. In addition, the company is continuing its own initiatives with food manufacturers to reduce trans fatty acid, which is said to increase the risk of heart disease. Based on the Guidelines on Trans Fatty Acid Labeling issued by the Consumer Affairs Agency, SEJ discloses information on its website on levels of saturated fatty acid, trans fatty acid, and cholesterol contained in its main food products.



#### Reduction of Trans Fatty Acids

(Example) Amount per 100 g of Ajiwai Koppe (Strawberry Jam & Margarine)

2005	2007	2012	2017
1.86g	0.18g	0.15g	0.10g

➤ For more details about SEJ initiatives (Japanese only)

## Providing Healthy Meals Supervised by Physicians and Managing Dietitians

Seven-Meal, SEJ's home delivery service, delivers healthy meals with a good balance of nutrients adjusted for calories and sodium content, with physicians and managing dietitians supervising menu development, nutrient content, and other aspects of the meals. The service strives to develop products with authentic, home-cooked flavor that pursue enduring tastiness without the use of preservatives or synthetic coloring agents.



Seven-Meal "Omakase Gozen" (Daily boxed lunch)

Average calories	560kcal
Average sodium	2.7g or less
Protein	20g or more
Vegetables	Used 100g or more
*Including potatoes, mushrooms, and beans.	
*Uncooked weight	

## Development of Health Food Products through the Supply Chain

Seven & i Holdings manufactures its Seven Premium private-brand products using an integrated system from raw material procurement through to product development and quality control.

In development of Seven Premium products, the optimal supplier and Group product development division form a team for the product, and specialists from both sides contribute their information and expertise in a process called "team merchandizing." The teams include suppliers who have nutrition and health experts or R&D centers of their own. We have established seven key points for development of Seven Premium products. One of them is "health conscious," and accordingly, we are developing products that support healthy lifestyles for our customers. In April 2017, we launched the Health Project within the Seven Premium Improvement Committee, to start new initiatives.

### Seven Premium Points of Seven Premium

#### 1. Safe and reliable

Manufactured in hygienic factories using rigorously selected materials.

#### 2. Delicious

Tastes that will appeal to everyone.

#### 3. Regional flavors

The taste of home cannot be beaten.

#### 4. Cutting-edge technologies

Jointly developed with manufacturers using the latest technologies.

#### 5. Universally designed

Labels and designs that are easy to read and understand.

#### 6. Health conscious

Calorie counts are printed on the front of the products.

#### 7. Reasonably priced

Provided at reasonable everyday prices.

## List of Health Food Products



“Seven Premium Sonomama Nomeru Tansansui Plus 490 ml”  
Food for specified health use containing 5 g indigestible dextrin (as dietary fiber)

## Labeling of Nutritional Components and Allergy Information

Seven and i Holdings strives to provide proper labeling of nutritional components for its private brand Seven Premium. In addition to displaying nutritional components\* such as energy, protein, fat, carbohydrates, and salt equivalents, for certain products we also display components such as saturated fatty acids, trans fatty acid, and cholesterol. Calorie counts are printed on the front of most products to make it easier for customers to find when selecting a product.

The Seven & i Group strives to provide customers with clear product labelling so that people with allergies are also able to select products with confidence. Both products purchased from suppliers and products prepared in-store are labeled for allergen content, and the labels list allergens mandated under the Food Sanitation Act as well as items that are recommended for labeling. For example, information on use of specified raw materials and equivalent items in products prepared in-store at 7-Eleven (hot snacks, oden, Chinese steamed buns) and in menu items at Denny's restaurants is provided on our website. In addition, in September 2017 we revised our menu to provide allergy information on the use of seven designated ingredients in all menu books in every time slot. Furthermore, in addition to posting information on our website, from July 2017 we have installed tablets in all stores to enable searches of allergens (specified raw materials and equivalent items), in each menu item, and these enable easily operable confirmation of detailed information when ordering.

\*Excluding certain items for discretionary labeling that have small surface area.



Nutritional content: Per slice	
Energy:	170 kcal
Protein:	5.9 g
Fat:	2.7 g
Saturated fatty acids:	0.7 g
– Trans fatty acids:	0 g
– Cholesterol:	0 mg
Carbohydrates:	30.5 g
Sodium chloride equivalent:	0.9 g

\* These values are approximate.  
Per 100 g of sodium chloride, amounts less than 0.1 g of saturated fatty acid, less than 0.3 g of trans fatty acid, and less than 5 mg of cholesterol are presented as 0 g.

Nutritional labeling for “Seven Premium Seven Bread (Six slices)”

➤ For more details about SEJ's initiatives (Japanese only) [📄](#)

➤ For more details about Denny's initiatives (Japanese only) [📄](#)

## Sales of Products with Food Allergy Considerations

IY conducts reservation sales of rice flour and soy milk cream cakes containing no specified raw materials to allow people with food allergy concerns to enjoy cake on Christmas or their birthdays with complete peace of mind. For such products, all raw materials and products are managed by lot and inspections are also conducted by external agencies. In addition, at 79 stores (as of the end of February 2017), special areas have been set up within the food products sales area for products catering to customers with food allergies. The areas are stocked with allergy-conscious product lines from seasoning and food product manufacturers.

At the Denny's restaurant chain managed by Seven & i Food Systems, there is a low-allergen menu for children that does not include any of the seven specified allergens (eggs, milk, wheat, buckwheat, peanuts, shrimp, and crab), created out of consideration for children who have food allergies. When the meals are prepared at the restaurants, employees cook and arrange the food in an area separate from the regular cooking line, and the tableware is individually washed and stored to prevent secondary contamination by allergens.

➤ [For more details about IY's initiatives \(Japanese only\)](#) 📄

➤ [For more details about Denny's initiatives \(Japanese only\)](#) 📄



Rice Flour and Soy Milk Cream Cake



Low allergen menu

## Material Issue 2 Providing Safety and Reliability through Products and Stores

### Communication with Customers

The Seven & i Group quickly responds to comments and requests provided by email or phone through customer consultation desks set up at each Group company in order to improve products and services from the customer's perspective. Given the need to protect privacy in connection with feedback received from customers, all personal information is deleted, and the feedback is then categorized by content and communicated to departments and stores for use in making improvements.

➤ [Information on customer feedback at 7-Eleven stores can be found here \(Japanese Only\)](#) 📄

➤ [Information on customer feedback at IY stores can be found here \(Japanese Only\)](#) 📄

### Enhancing Customer Service Quality

Seven & i Holdings holds a monthly information and liaison meeting of the Seven & i Group's customer consultation desks, which is attended by customer service desk supervisors at each Group company, in order to reduce the factors that cause customer dissatisfaction and raise satisfaction levels throughout the Group, not just at individual Group companies. Measures taken in response to comments and requests received from customers are shared on a regular basis and the information is incorporated into products and services. Annual training is also held for customer consultation desk personnel at each Group company with a view to further refining customer service skills.



Customer consultation desk personnel training

### Collecting Customer Feedback

Seven & i Holdings collects feedback from customers who visit its stores on customer service, sales floor setup, product lineups, and other aspects of operations in order to further improve its products and services.

For example, at SEJ, a questionnaire is conducted every two years of 10,000 people to ascertain the needs of customers nationwide. In addition, at IY, store surveys are contracted to external agencies certified as consumer affairs advisors to collect feedback from store customers. Based on the results of the surveys, Group companies work to develop products that incorporate the evaluations and opinions of customers.

### Product Development Using a Website

For its Seven Premium private-brand products, the Group launched "Seven Premium Enhancement Committee" - a website community for product development that invites participation by customers in 2009. The website features users' evaluations of individual products and original recipes using Seven Premium products. We also use the website to call for participants in product monitor surveys. The information gathered from the website enables us to analyze the ways and scenarios in which customers use our products, and is reflected in product development.

➤ [For more details about Seven Premium Life Enhancement Committee \(Japanese only\)](#) 📄

## Material Issue 2 Providing Safety and Reliability through Products and Stores

### Information Security and Personal Information Protection

Seven & i Holdings positions the appropriate protection and security of information assets handled by the Group as an important priority and social responsibility of its management and operations and as mandatory for all executives and employees. We strictly manage personal information received from customers in particular and take special care to prevent information leaks and other such incidents.

#### Development of Information Security Management System

Seven & i Holdings anticipates that points of contact with customers will further increase through our Omni-Channel Strategy. In light of this, just as with food safety, initiatives to ensure the safety and security of information assets themselves constitute the foundation that will support the strategy.

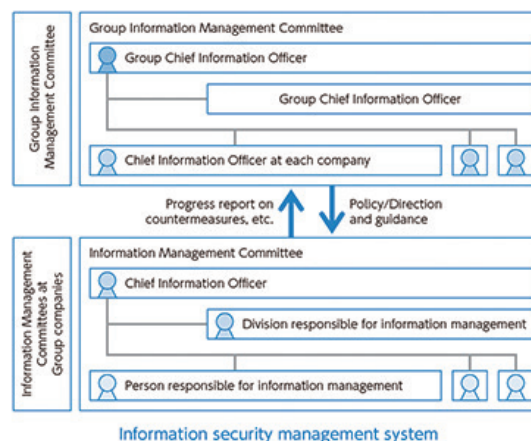
Seven & i Holdings has established the Basic Policy on Information Security and Basic Policy on Protection of Personal Information to promote the appropriate protection and use of customer information (personal information) acquired through Omni-Channel initiatives and further promote safe and secure business operations, and we have obtained ISMS certification (ISO 27001) for information security management systems. Through the implementation of a PDCA cycle for our ISMS we continue to develop a high-level information security system. We have also acquired the PCIDSS certification, which is a global security standard, in our Omni-Channel system. Our goal in this is to ensure the safe handling of particularly credit card information, business partners' information, and business partners.

Information security is also regarded as an important risk, and we have established the Information Management Committee to analyze, assess and address this risk. We develop our management systems based on these activities. Specifically, we are working to strengthen our information management and security by establishing information security standards to be achieved by the Group and conducting development in accordance with the PDCA cycle method prescribed by ISMS certification at Group companies.

▶ More details about our Basic Policy on Information Security can be found [here](#)

▶ More details about our Basic Policy on Personal Information Protection can be found [here](#)

▶ Further information about bases that have acquired ISMS certification and about PCIDS certification acquisition can be found [here](#) (Japanese only) 





## Employee Training to Raise Awareness of Information Security and Cyber Security

Seven & i Holdings conducted information security training through e-learning and group training programs for all executives and employees of the Group companies in order to raise employee awareness of information security and cyber security. The fiscal year ended February 29, 2016 training was on the theme of internal fraud, and in the fiscal year ended February 28, 2017 it was focused on targeted cyber attacks. We also provide educational tools for used in morning meetings and departmental meetings to encourage education within departments. All employees at hiring and retirement sign a confidentiality pledge, which also raises awareness of information security. In the fiscal year ended February 28, 2017, there were no information security violations or other cyber security incidents.

In employee training through daily operations and regular meetings, all employees are told to promptly report, communicate, and consult about any problems that occur to the person responsible for information management of the respective division, and in e-learning and group training as well, employees are trained to immediately report suspicious occurrences. Reporting lines to upper management have been established depending on the severity of the occurrence. We have also created Reporting Guidelines for Significant Events, and when a significant event occurs that could potentially impact the entire Group, there is an internal reporting line depending on the severity level for reporting to upper management at the Group company where it occurred. There is also a reporting line for reporting the incident to the Information Management & Security Department and upper management of Seven & i Holdings. In creating these two reporting lines, we strive to ensure the accuracy of information conveyed and the promptness of our response.

## Cyber Attack Measures

Seven & i Holdings has established the 7&i Computer Security Incident Response Team (7&i CSIRT) to respond to external cyber attacks and minimize their impact and potential damage, particularly from a technical standpoint. The team conducts quick and appropriate containment and other measures in response to information security incidents in an organized manner.

In addition, when an information security incident is judged to be a major incident by the 7&i CSIRT (based on the extent of damage, etc.), a response system has been built for mobilizing the 7&i Security Incident Response Team (7&i SIRT) and to deciding on and carry out emergency response measures, standard response measures for system recovery, and externally directed actions, in particular, such how the incident is to be disclosed.

## Material Issue 2 Providing Safety and Reliability through Products and Stores

### Appropriate Disclosure of Information on Products and Services

Seven & i Holdings Corporate Action Guidelines stipulate that “We seek to display information that is accurate, easy to understand, and truthful so that customers can make an appropriate selection of products and services.” Moreover, each Group company will check the following information and strive to inform customers.

- Provide beneficial information to customers, taking the customer’s perspective, even if the information is negative from the Company’s perspective.  
(For example: Consumption of this produce may be hazardous for health, etc.)
- For information such as images and recordings distributed as commercials and advertisements, we will use appropriate expressions for the audience.
- We will provide information that meets or exceeds the legally mandatory level with regard to health, environment, and other sustainability aspects.

### Establishment of Management System for Information Provided to Customers

The Seven & i Group verifies in advance that product and price information listed in advertising media, including newspaper inserts, pamphlets, and television commercials, is accurate and that they contain no information that might mislead customers. For example, IY requires that prior approval be obtained from its Fair Trade Committee Office when listing dual prices with the sales price and a comparison price, or discounts, in newspaper inserts and other media.

### Employee Training on Product Labeling

Seven & i Holdings conducts regular, twice-yearly group training based on laws governing labeling such as the Act against Unjustifiable Premiums and Food Labeling Act for newly assigned purchasing personnel at Group companies to provide basic knowledge on improper labeling and excessive gifts or giveaways prohibited under laws and regulations. In the fiscal year ended February 28, 2017, 4,664 employees from 23 companies underwent this training.



Group training on labeling

### Prevention of Improper Labeling

Seven & i Holdings has established the “Group Discretionary Guideline on Imprecise Labeling,” on product labeling for the Group to prevent the use of expressions that could mislead customers. The guideline is thoroughly taught to and implemented by product development and quality control staff at each Group company. For example, the expression “permanent” is not used in principle as it is difficult to rationally present the permanent efficacy of a product in the future.

## Material Issue 2 Providing Safety and Reliability through Products and Stores

### Implementing Crime Prevention Measures for Local Communities

Seven & i Holdings cooperates in local crime prevention initiatives in line with the operational characteristics of each Group company to ensure that customers can use its facilities safely and with confidence.



### Safety Station Activities

7-Eleven stores take advantage of the fact that they stay open 24 hours a day every day of the year to conduct Safety Station activities. These involve looking out for the safety and security of the community through such activities as providing a place for women and children to seek assistance, protecting seniors, preventing robberies and shoplifting, responding to accidents and disasters, and helping in the case of a sudden illness. 7-Eleven stores work to promote a healthier environment for young people by not selling alcohol and tobacco products to minors, for example, and SEJ also provides information to raise awareness of compliance and crime prevention at franchised stores through product exhibitions held twice a year nationwide and a bimonthly journal.



Using the cash register screen to raise awareness



Preventing sales of adult magazines to minors

## Material Issue 2 Providing Safety and Reliability through Products and Stores

### Disaster Assistance

Seven & i Holdings strives to quickly reopen its establishments and keep them in operation even during disasters as a part of its mission to serve as a community lifeline and fulfill its role as social infrastructure when disasters occur.



### Swift Regional Relief Activities in Disasters and Local Awareness-Raising

The Seven & i Group stores strive to preserve community lifelines during disasters by working quickly to resume and continue operations, as well as providing swift regional relief during disasters along with tap water, restroom facilities, disaster information, and other necessities. For example, at SEJ during the 2016 Kumamoto Earthquake that occurred in April 2016, nearly all 7–Eleven stores stayed open, even when the power was out and water cut off, which was greatly appreciated by many customers. Head Office also provided support for stores in the form of product supplies and special assistance for staff members. In preparation for a wide range of situations, we work with the community to fulfill our role as important social infrastructure for daily living.

In addition, Seven & i Holdings has been concluding agreements on assistance with relief provisions and support for evacuees during disasters with local governments, under which it provides material assistance in line with requests from local governments during disasters. All Group stores conduct fundraising activities to assist people affected by disasters and have launched free Wi-Fi service Seven Spot. In July 2017, three Group companies—Seven & i Holdings, SEJ, and IY—were designated as public institutions under the Basic Act on Disaster Control Measures.

As daily initiatives, the stores feature disaster preparedness sections and hold disaster preparedness events and so forth in a bid to raise customers awareness of disasters.

#### Agreements on relief provisions signed with municipalities

(as of June 30, 2017)

(No. of Agreements)

IY	115
SEJ	70
York-Benimaru	27
Sogo & Seibu	8
Akachan Honpo	8
York Mart	5
Total	233

## Providing Means of Communication in Emergencies

Seven & i Holdings allows its free Wi-Fi service Seven Spot, located at approximately 20,000 Seven & i Group stores nationwide, to be used on a special basis during emergencies even by people who have not registered as members so that they can confirm the safety of friends and relatives and serve as a line of communication for those who are unable to return home. SEJ has also set up emergency phones that can be used free of charge (special public phones for use during disasters) at a portion of its stores within Tokyo's 23 wards.



Emergency telephone



Free In-Store Wi-Fi Service Seven Spot

## Establishment of Tsunami Rescue Boats

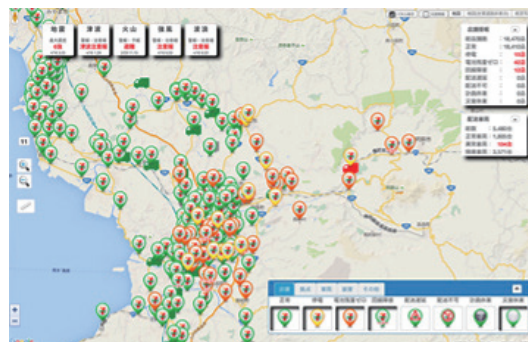
SEJ has established tsunami rescue boats at three 7-Eleven stores in Kochi, Aichi, and Shizuoka prefectures in preparation for tsunami and flooding damage caused by an earthquake in the Nankai Trough. These stores are located in where the depth of flooding in the event of a Nankai Trough earthquake is expected to exceed 4.0 m, at which depth buildings are likely to collapse according to announcements by the Cabinet Office. Moreover, there are no points of refuge around the stores and they are expected to suffer considerable damage in the event of a tsunami. The tsunami rescue boats have a capacity of 25 people, and are expected to provide a place of safety for customers, 7-Eleven store staff, and others in the event of a disaster.



Tsunami rescue boat

## 7VIEW: Seven Visual Information Emergency Web

Seven & i Holdings compiles a range of information within the Group but we have also joined with business partners to develop the 7VIEW<sup>\*1</sup> system for providing, sharing, and utilizing disaster information more broadly. The system automatically combines various information sources from external organizations such as the Japan Meteorological Agency and L-Alert<sup>\*2</sup>, as well as Group companies, and layers them onto a map to enable a swift and accurate grasp of disaster conditions without placing a burden on disaster areas. We are continuing to develop the system by forming links between companies, as well as with the national and local governments and public research institutions, to help reestablish supply chains as quickly as possible.



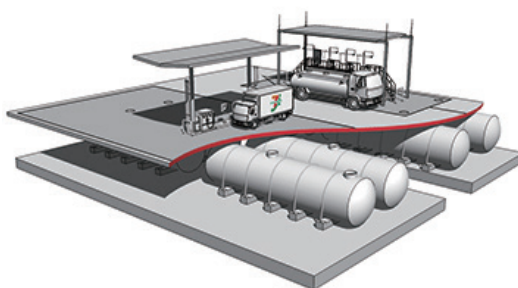
7VIEW Screen

- \*1.Visual Information Emergency Web
- \*2.Disaster Information Sharing System

## Fuel Depot for Delivery of Emergency Provisions

One of the important priorities of Seven & i Holdings in the area of business continuity in emergencies is maintaining fuel supply networks in the event of a major disaster. We have established a fuel depot at IY's distribution center in Saitama Prefecture that can be used by product delivery trucks to transport emergency provisions, a first for a Japanese retailer.

The depot maintains a permanent supply of 400 kiloliters of fuel, and when a disaster occurs it can be used to deliver emergency provisions and products for up to ten days to evacuation centers in affected regions and elsewhere and to Group stores and establishments in the Tokyo metropolitan area.



Fuel for vehicles is stored in underground tanks

## Material Issue 2 Providing Safety and Reliability through Products and Stores

### Disaster Reconstruction Support

The Great East Japan Earthquake of March 2011 inflicted enormous damage on Tohoku and surrounding regions. The Seven & i Group helps to support the reconstruction by working with employee volunteers and NPOs to conduct a variety of activities, including product sales, while leveraging its position as a retailer to connect consumers with producers.

#### Tohoku Kakehashi Project

The Seven & i Group has held the Tohoku Kakehashi Project in support of the reconstruction three times a year since November 2011. Our goal is to serve as a bridge connecting the people of Tohoku with people around the country in their desire to support the reconstruction with the cooperation of Fukushima, Miyagi, Iwate and other Tohoku Prefectures and various government agencies. In March 2017, there were 270 sponsor and participant companies and 2,200 items, making the project over 10 times larger than when it first started.

Procuring local products from disaster-affected regions helps revitalize the agriculture and fishing industries. In addition, to keep affected regions fresh in the minds of people living outside of them, we purchase products from affected partner companies in Tohoku and the products of major food manufacturers produced in the region. We also hold sales events at approximately 400 stores in total, including IY and York-Benimaru.

#### Tohoku Kakehashi Project

	Starting Time	No. of co-sponsors and participating companies	No. of products
1st Round	From November 7, 2011	22 Companies	Approx. 200
2nd Round	From March 5, 2012	58 Companies	Approx. 600
3rd Round	From July 17, 2012	81 Companies	Approx. 800
4th Round	From November 19, 2012	109 Companies	Approx. 1,000
5th Round	From March 4, 2012	123 Companies	Approx. 1,200
6th Round	From July 9, 2013	160 Companies	Approx. 1,300
7th Round	From October 9, 2013	188 Companies	Approx. 1,400
8th Round	From March 4, 2014	219 Companies	Approx. 1,500
9th Round	From July 14, 2014	239 Companies	Approx. 1,710
10th Round	From October 6, 2014	247 Companies	Approx. 1,800
11th Round	From March 2, 2015	250 Companies	Approx. 1,850
12th Round	From July 14, 2015	257 Companies	Approx. 1,900
13th Round	From October 5, 2015	259 Companies	Approx. 2,000
14th Round	From March 7, 2016	267 Companies	Approx. 2,200
15th Round	From July 12, 2016	260 Companies	Approx. 2,000
16th Round	From October 17, 2016	270 Companies	Approx. 2,200
17th Round	From March 6, 2017	270 Companies	Approx. 2,200

➤ More details on the Tohoku Kakehashi Project can be found here (Japanese only) 



## Supporting PEP Kids Koriyama

At York-Benimaru, support is provided for PEP Kids Koriyama in Fukushima Prefecture, an indoor, active playground in the city of Koriyama founded on the concept of “Play, Learn and Grow,” which allows children with fewer opportunities to play outside due to the nuclear accident that occurred with the Great East Japan Earthquake to actively engage in exuberant, physical play.



PEP Kids Koriyama

➤ [An overview of PEP Kids Koriyama \(Japanese only\)](#)

## Supporting Autonomy for the Women of Iitate Village in Fukushima Prefecture

Sogo & Seibu is helping to the women of Iitate Village in Fukushima Prefecture living in temporary housing to achieve autonomy. The women organize “Madei wo Matou” sales to sell clothes and accessories they have made themselves using kimonos donated from all over Japan, and the company provides venues and assistance with selling. After the Great East Japan Earthquake, Sogo & Seibu held the events ten times in total at its six stores between March 2012 and the ladies’ return to their village in March 2017.

## Sales of Wakame and Nori from Shichigahama in Miyagi Prefecture

Seven & i Food Systems conducts the Let’s Eat in Support of the Affected Areas Program at stores and the Head Office cafeteria, providing dishes made with ingredients from Shichigahama in Miyagi Prefecture, which was affected by the Great East Japan Earthquake, and conducting sales of wakame and nori seaweed products. The sorting operation for this wakame and nori is conducted by employee volunteers from Group companies.



Employees sorting wakame at Shichigahama



Volunteers preparing to sell Shichigama wakame in the employee cafeteria

## Participation in the Great East Japan Earthquake Reconstruction Project

In addition, Seven & i Holdings has participated in the Seven-Eleven Foundation’s Great East Japan Earthquake Recovery Project since June 2011 and continues to support recovery and reconstruction in areas that were severely affected. Seven & i Group employees also participate each year in volunteer activities. In the 10th Great East Japan Earthquake Recovery Project held in September 2016, volunteers worked in Kesennuma City, Miyagi Prefecture, where they took part in a beach clean-up activity on Kukunaki Beach and made anchors for oyster farming rafts in the Karakuwa town.

➤ [For more details about the Great East Japan Earthquake Recovery Project of the Seven-Eleven Foundation \(Japanese only\)](#)

## Material Issue 3 Non-Wasteful Usage of Products, Ingredients and Energy

### Approach to Material Issues

The Seven & i Group operates around 20,000 primarily retail stores throughout Japan, and deals with numerous products. We believe that reducing the energy consumption and waste material generated by the Group's business activities will make a significant contribution toward realizing a sustainable society.

At the same time, such efforts are also of great value to the Seven & i Group as they will additionally help to reduce waste, product and raw material costs, together with energy costs. We have therefore positioned elimination of waste in products, raw materials, and energy throughout the entire value chain one of our most material issues, and we are taking measures to address it.

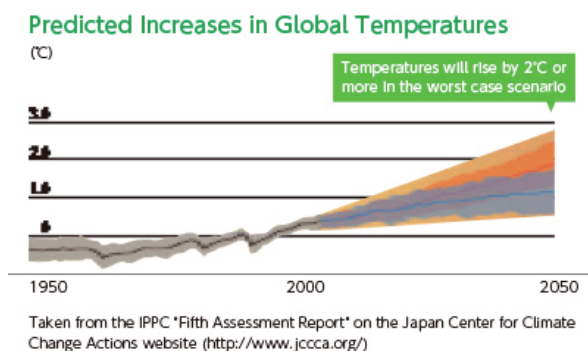
#### ■ Relevant Policies

- ▶ Environmental Guidelines / Environmental Rules
- ▶ Seven & i Holdings Environmental Declaration / Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming
- ▶ Business Partner Action Guidelines

### Background to Material Issues

#### Climate Change

Environmental issues are a global concern. Manifestations of climate change, such as rising sea levels, erratic weather, and damage to primary industries, pose serious threats to future generations. An Intergovernmental Panel on Climate Change (IPCC) report states that global warming is "beyond doubt," and if current trends continue, the worst case is that temperatures will rise by 2° C or more by 2050, with CO<sub>2</sub> emissions considered to be the major cause.



## Food Waste

In 2014, the global amount of food aid reached approximately 3.2 million tons. The increase in the global population and abnormal weather have given rise to food shortages with one in nine people now estimated to suffer from chronic hunger. By comparison, over 17 million tons of food is wasted every year in Japan. Of this, 6.32 million tons is food loss—food that is likely to be still edible, such as half-eaten food or food that has passed its expiry date.



## Promotional Framework for Material Issues

In response to this material issue, the CSR Management Committee, led by the president, and its subordinate Environmental Subcommittee, work together with the Group companies and related departments to promote initiatives to reduce CO<sub>2</sub> emissions and make effective use of limited resources through business activities. These activities are supervised by the Seven and i Holdings executive officer in charge of Corporate Communication.

## Contribution to SDGs

In addressing these material issues, Seven & i Holdings contributes to achieving goals 7, 12, and 13 of the Sustainable Development Goals (SDGs) by reducing CO<sub>2</sub> emissions and waste of food products and so forth.



## Seven & i Holdings' Initiatives

### Environmental Management

In addition to establishing a system of environmental management, Seven & i Holdings is striving to attain a proper grasp of its environmental impact through third-party audits of CO<sub>2</sub> emissions.

[➤ More](#)

### Initiatives to Realize a Low-Carbon Society

Seven & i Holdings has set CO<sub>2</sub> emissions reduction targets and is promoting energy conservation initiatives, aiming at the realization of a low-carbon society with significantly reduced CO<sub>2</sub> emissions, which are a major cause of global warming.

[➤ More](#)

### Reducing Environmental Impact in the Supply Chain

Seven & i Holdings is focusing on initiatives to reduce its own environmental impact as well as working together with its business partners to reduce environmental impact across the entire supply chain.

[➤ More](#)

### Promoting Food Recycling

Seven & i Holdings is promoting the initiatives with the important theme of reduction and recycling of food waste.

[➤ More](#)

### Effective Use of Resources

Seven & i Holdings is not only working to reduce waste emissions associated with store operations, but is also working with cooperation from customers and business partners to reduce container and packaging materials used for supplying products, and to reduce and recycle container and packaging materials after customers have used them.

[➤ More](#)

### Introduction of Environmentally-Friendly Packaging

Seven & i Holdings is introducing eco-friendly product containers and packaging that use recycled materials or materials that have a low environmental impact, such as biodegradable materials.

[➤ More](#)

### Internal and External Communication

Seven & i Holdings is working to raise the awareness of Group employees by providing them with environmental education and other initiatives. At the same time, it is emphasizing communication with customers, external environmental organizations and so forth.

[➤ More](#)

## Material Issue 3 Non-Wasteful Usage of Products, Ingredients and Energy

### Environmental Management

To fully implement its initiatives to reduce its environmental impact, Seven & i Holdings is establishing a system of environmental management and striving to attain a proper grasp of its environmental impact through third-party audits of CO<sub>2</sub> emissions.



### ISO 14001 Acquisition

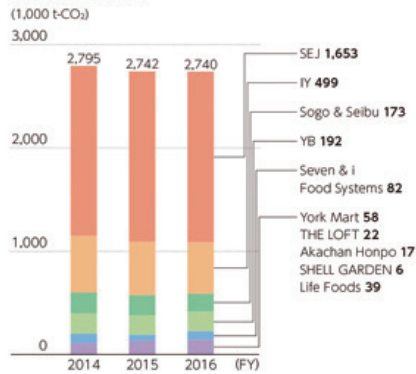
Seven & i Holdings aims to reduce its environmental impact. To this end, we are promoting acquisition of the international standard ISO 14001, and we conduct annual internal audits at the operating companies that have the certification. Sogo & Seibu became the first in the department store sector to acquire ISO 14001 certification in 1999, and has maintained it continuously at all business sites. Furthermore, SEJ acquired the certification at the end of February 2015 for its offices and directly managed stores throughout Japan. Seven & i Food Systems also acquired the certification in February 2015, and IY Foods in February 2016. The sales ratio of the operating companies that have obtained ISO 14001 certification is approximately 51% of the Group's net sales.

### Third-Party Audit of CO<sub>2</sub> Emissions

To correctly assess and verify the initiatives taken to reduce environmental impact, Seven & i Holdings has undertaken third-party audits of CO<sub>2</sub> emissions from store operations at the 11 main Group operating companies\*<sup>1</sup> every fiscal year. The sales of the 11 audited companies account for about 95% of the Group's total. The CO<sub>2</sub> emissions associated with store operations in the fiscal year ended February 28, 2017 were 122,946 tons for Scope 1, and 236,539 tons for Scope 2. Moreover, in the fiscal year ended February 28, 2018, we are also receiving third-party verification of our data for the Category 1 emissions of SEJ, which accounted for about 44% (9,137,077 tons) of the Scope 3\*<sup>2</sup> emissions for the fiscal year ended February 28, 2017, thereby helping to improve the accuracy and reliability of the quantitative data internally and externally.

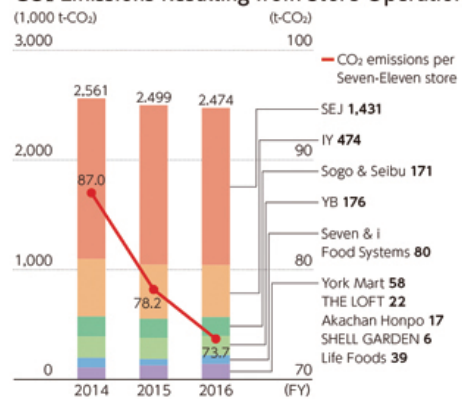
- \*1. Eleven companies included: SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, THE LOFT, SHELL GARDEN, Life Foods, and 7-Eleven, Inc. The data for the fiscal year ended February 28, 2012 comes from 5 companies, the data for the fiscal year ended February 28, 2013 from 10 companies, including 7-Eleven, Inc. in the U.S., and the data for the fiscal year ended February 28, 2017 from 11 companies including Life Foods.
- \*2. Scope 3: CO<sub>2</sub> emissions other than those from the company, emitted from its procurement of raw materials and products, transportation, and product use, together with CO<sub>2</sub> emissions from waste disposal processes

## CO<sub>2</sub> Emissions\*



\* CO<sub>2</sub> emissions from store operations plus CO<sub>2</sub> emissions caused by the use of energy for logistics and Head Office activities. For calculation methods, please see the data posted on the website.  
From the fiscal year ended February 28, 2017, we have added the CO<sub>2</sub> emissions derived from the use of energy by the Head Office, stores and factories of Life Foods.

## CO<sub>2</sub> Emissions Resulting from Store Operations\*



\* For calculation conditions, please see the data posted on the website.  
From the fiscal year ended February 28, 2017, we have added the CO<sub>2</sub> emissions from the stores and factory operations of Life Foods.



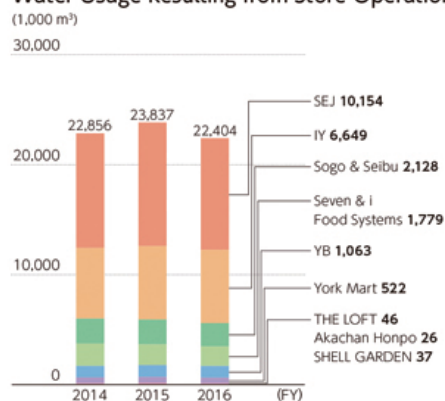
Third-Party Verification Report

## Third-Party Verification Report

## Management of Water

At each store of the Seven & i Group, in addition to the daily efforts made to conserve water, water-conserving faucets and energy-saving flushing toilets are also being introduced. Furthermore, through utilizing rainwater and so forth, we are working to reduce the volumes of water used.

## Water Usage Resulting from Store Operations



## Management of CFCs

At Seven & i Holdings stores, devices using CFCs are replaced with ones using CFC alternatives during remodeling and so forth. Moreover, in compliance with the Act on the Protection of the Ozone Layer Through the Control of Specified Substances and Other Measures, which was implemented in April 2015, devices undergo regular inspections and leakage assessments required by the government. Devices using CFCs are disposed of by professional companies in compliance with the law, and stores receive collection certificates from these contractors as proof of appropriate disposal.

Substitute CFCs include HCFC (hydro chlorofluorocarbon), production of which is to be banned in advanced countries by 2020. As this will require a changeover to another type of substitute, we also plan to further promote the introduction of non-CFC devices in freezing and refrigeration devices used at our stores. At SEJ, refrigeration devices that utilize CO<sub>2</sub> refrigerants have been introduced at 146 stores (as of February 28, 2017), and we are trialing them at 5 IY stores.



## Material Issue 3 Non-Wasteful Usage of Products, Ingredients and Energy

### Initiatives for Realizing a Low-Carbon Society

Seven & i Holdings is taking steps to reduce CO<sub>2</sub>, the main cause of global warming, and to realize a low-carbon society with dramatically reduced CO<sub>2</sub> emissions. We have set reduction targets for CO<sub>2</sub> emissions and are promoting energy saving initiatives.



### CO<sub>2</sub> Reduction Targets for CO<sub>2</sub> Emissions

Seven & i Holdings is increasing store numbers as it expands business. In the fiscal year ended February 28, 2014, the Group set a CO<sub>2</sub> emission reduction target that represents a 10% reduction from the projected CO<sub>2</sub> emissions in the fiscal year ending February 28, 2018, under the same level of environmental measures set for the nine Japanese operating companies\*<sup>1</sup> in the fiscal year ended February 29, 2012\*<sup>2</sup>.

※1. Included companies: SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, THE LOFT, and SHELL GARDEN

※2. Calculated based on emissions coefficients for the fiscal year ended March 31, 2011, provided in the Act on Promotion of Global Warming Countermeasures.

▶ [Details of CO<sub>2</sub> emissions amount data can be found here](#)

### Promoting Introduction of Energy-Saving Equipment at Stores

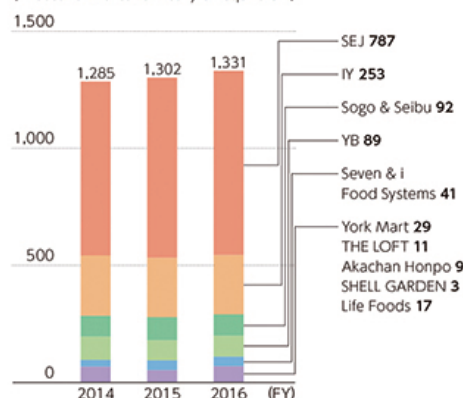
About 90% of CO<sub>2</sub> emitted by Seven & i Group companies is attributable to the use of energy for in-store lighting, store signboards, and air conditioning, which are all indispensable for the operation of its stores. Therefore, we aim to control our environmental impact increase proportionately to the increase in store numbers and size and the enhancement of products and services by installing energy reducing equipment such as LED illumination and solar panels when we open new stores or refurbish existing ones.

For example, at 7-Eleven stores, we are promoting environmentally friendly store creation by converting all types of lighting to LED, including store signage, sales area lighting, and sign poles. In 2014, we introduced new specification LED lighting that can further reduce electricity usage by approximately 50%. In addition, we have made progress with installing solar panels, which are now installed at 7,809 stores (as of February 28, 2017).

At IY as well, to reduce the load on the environment from store operations, LED lighting has been installed at almost all stores, and solar panels have been installed at 13 stores (as of February 28, 2017).

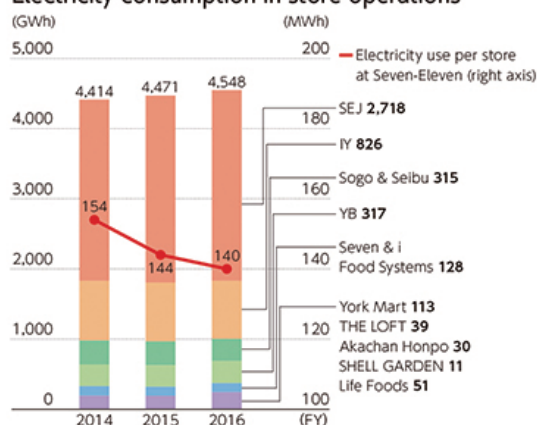
## Total Energy Usage

(Thousand kiloliter of heavy oil equivalent)



\*Life Foods was included in the fiscal year ended February 28, 2017

## Electricity consumption in store operations



\*Life Foods was included in the fiscal year ended February 28, 2017



LED lights



Solar panels

## Main investments in environmental equipment - cost and effect (FY2017)\*

Environmental investment (¥ million)	Environmental expenses (¥ million)	Environmental expenses (¥ million)	CO <sub>2</sub> reduction effect (Ton)
4,504	118	389	45,160

\*Totals for nine companies: SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, THE LOFT, and SHELL GARDEN

## Smart Sensor Installation

Some 7-Eleven stores have had smart sensors installed. A smart sensor is installed on the store's electricity distribution board, enabling the volume of electricity used by equipment in the store to be monitored in real time. This helps to save energy by enabling staff to visualize which equipment in the store is using electricity, how much is being used, and when, so that they can identify issues with equipment use.

## Stores with Hydrogen Stations

SEJ has signed a comprehensive agreement with Iwatani Corporation regarding the installation of hydrogen stations together with convenience stores. In March 2017, the companies opened a store with a hydrogen station in Sendai, Miyagi Prefecture, bringing the total number of hydrogen-station stores to three with the existing stores in Ikegami, Ota-ku, Tokyo Metropolis and Kariya City, Aichi Prefecture.

Looking ahead, we will install pure hydrogen fuel cells at the 7-Eleven stores with hydrogen stations and conduct a trial test on the environmental impact reduction to verify the potential for the use of fuel cells in stores. The project also aims to promote the creation of "close-by, convenient stores" that are closely tied to local communities, while creating sites that can serve as social infrastructure able to provide products, services, and clean energy at a single point.



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

## Installation of Electric Vehicle Chargers

Seven & i Holdings and NEC Corporation have installed 2,500 chargers for electric vehicles (EVs) and plug-in hybrid vehicles (PHVs) as of February 28, 2017 in parking lots at 48 stores in Japan, including IY, Ario, and Sogo & Seibu department stores to provide a fee-based charging service. Payment for the service is made with a charging card issued by Nippon Charge Service LLC, a joint venture established by four Japanese automakers, as well as credit cards.

This project is the largest scale introduction of EV and PHV chargers ever attempted in Japan. The initiative aims to increase the convenience of the commercial facilities and establish a pattern for using EVs and PHVs of charging them while shopping. It also aims to contribute to the realization of a low-carbon society by promoting the spread of environmentally friendly, next-generation cars.



Electric Vehicle Charger

## Climate Change Risks, and Measures for Adaptation and Mitigation

Seven & i Holdings is affected by various risks related to climate change. These include regulatory risk from tighter regulations in Japan and overseas, physical risk from the occurrence of major disasters, and judgment risk, in which changes in consumer purchasing behavior due to the climate and response to weather fluctuations become the standards for evaluating companies. In particular, the impact from changes in temperature and the occurrence of major natural disasters extends beyond damage to store equipment and distribution networks, restrictions or halts to trading, and sales opportunity loss; it can also affect Group companies' product suppliers and raw material prices. Climate change is therefore a risk factor for all aspects of operations, from product development and production to distribution, store operations, and product lineups. Seven & i Holdings therefore recognizes that quickly building and implementing a business model that can cope with weather and climate change is important for maintaining growth.

Our enduring concern around weather and temperature change is reflected in our daily ordering activities and sales floor formation. In product development and lineups as well, we strive to provide products that meet customers' needs by establishing a hypothesis based on weather changes over several months. At the same time, we will respond carefully to changes in customers' purchasing behavior driven by abnormal weather and temperature changes driven by climate change.

The "Seven Farm" environmental recycling-oriented agriculture initiative of IY buys the entire quantity of harvested produce, including non-standard items. This enables us to procure and sell vegetables steadily regardless of market trends. In this way, we are also addressing the aspect of stable product procurement. These Seven Farms are located in 12 places throughout Japan, covering approximately 200 ha in total. (As of February 28, 2017).

In addition, Seven & i Holdings is establishing systems to prepare for disasters associated with sudden weather phenomena, such as the numerous incidents of heavy rain and landslides that have occurred recently in Japan. For example, we have distributed booklets to regular employees summarizing how to respond in an emergency, and we have also been holding regular simulation drills using teleconferencing systems and so forth. Furthermore, Seven & i Holdings is constructing 7VIEW (Seven Visual Information Emergency Web), a system that enables provision, sharing, and joint use of disaster information. The system gathers together information from within the Group and through cooperation with business partners.

Measures to mitigate climate change include various initiatives related to reducing our environmental impact, such as energy conservation and use of renewable energy at stores, along with forest maintenance and related activities throughout Japan.

## Material Issue 3 Non-Wasteful Usage of Products, Ingredients and Energy

### Reducing Environmental Impact in the Supply Chain

Seven & i Holdings is focusing on reducing its own environmental impact as well as working together with its business partners to reduce environmental impact across the entire supply chain. For example, we are promoting various initiatives such as working together with original product manufacturing plants and delivery service providers and others to save energy at factories and introduce eco-friendly vehicles.



### Scope 3※1 Calculation

Seven & i Holdings is working to reduce CO<sub>2</sub> emissions and evaluate its environmental impact at every stage from the supply chain through to sales and consumption, as stated in its Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming. To this end, we have calculated the CO<sub>2</sub> emissions ("Scope 3") throughout the entire supply chain following the "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain Ver. 2.1." of the Ministry of the Environment. For the fiscal year ended February 28, 2017 we calculated emissions for 10 major Group companies※2. The results showed that Scope 3 emissions accounted for almost 90% of the Group's overall emissions, and of these, around 80% originated in the raw materials procurement process. We will analyze this calculation result and use it to achieve further reductions of CO<sub>2</sub> emissions across the entire supply chain.

※1. "Scope 3": CO<sub>2</sub> emissions other than those from the company, emitted from its procurement of raw materials and products, transportation, and product use, together with CO<sub>2</sub> emissions from waste disposal processes

※2. SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Seven Bank, Akachan Honpo, THE LOFT, and SHELL GARDEN

### Breakdown of Greenhouse Gas Emissions throughout the Supply Chain in the Fiscal Year Ended February 28, 2017 (Totals for 10 companies)

Category	Composition ratio	
Scope 1	0.5%	
Scope 2	11.3%	
Scope 3 Categories 1–15 (total)	88.2%	100.0%
Category 1 (Purchased goods and services)		85.1%
Category 2 (Capital goods)		3.5%
Category 3 (Fuel-and-energy-related activities not included in Scope 1 or 2)		1.0%
Category 4 (Upstream transportation and distribution)		1.6%
Category 5 (Waste generated in operations)		0.4%
Category 6 (Business travel)		0.1%
Category 7 (Employee commuting)		0.2%
Category 8 (Upstream leased assets)		0.01%
Category 9 (Downstream transportation and distribution)		0.2%
Category 10 (Processing of sold products)		–
Category 11 (Use of sold products)		0.5%

Category 12 (End of life treatment of sold products)		6.2%
Category 13 (Downstream leased assets)		1.3%
Category 14 (Franchises)		—
Category 15 (Investments)		—
Total of Scopes 1, 2 and 3	100.0%	

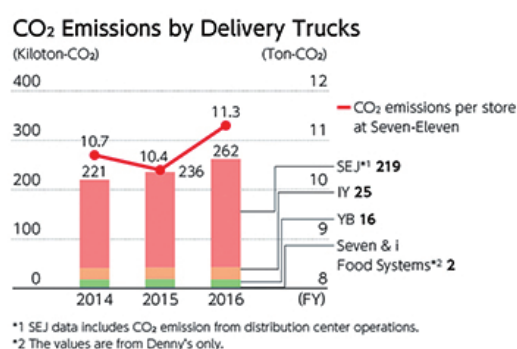
## Environmental Consideration in Leased Vehicles

At SEJ, Operation Field Consultants, who support franchised store management, use leased vehicles to visit franchised stores. Since the fiscal year ended February 28, 2017, we have been phasing in hybrid vehicles for these leased vehicles. In the fiscal year ending February 28, 2018, we plan to replace about 1,200 of our leased vehicles with hybrid models, with an anticipated CO<sub>2</sub> emission saving of around 1,680 tons.

## Reducing CO<sub>2</sub> Emissions from Deliveries

Seven & i Holdings is asking its partners who deliver products to stores to cooperate with efforts to introduce eco-friendly vehicles, improve fuel efficiency, and reduce store delivery frequencies. Furthermore, progress is also being made in fitting trucks with drive-data terminals that record driving status. Data collected from the terminals is used to provide driver instruction and eco-driving seminars.

### CO<sub>2</sub> Emissions by Delivery Trucks

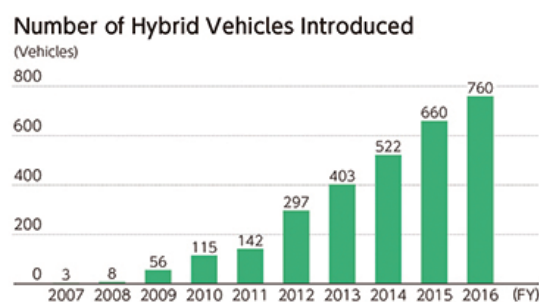


## Introduction of Eco-Friendly Vehicles

We are replacing delivery vehicles with hybrid trucks at SEJ. These are capable of recuperating energy generated during deceleration and then using it as secondary power to drive motors when pulling away and accelerating. Through this technology, we hope to realize fuel-efficiency improvements and reduced CO<sub>2</sub> emissions, etc. There are 5,703 delivery vehicles in the fleet, as of May 31, 2017, and hybrid trucks account for 760 of these. We plan to replace 20% of the total fleet with eco-friendly trucks by 2020.



Hybrid Trucks

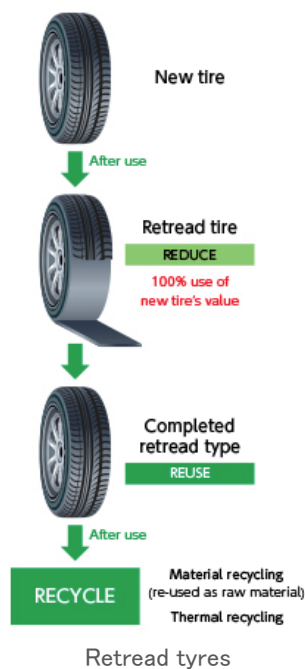


## Promoting Introduction of Eco-Friendly Tires

SEJ is promoting the introduction of eco-friendly tires with low rolling resistance for delivery vehicles. As of May 31, 2017, we have installed eco-friendly tires on 5,652 delivery vehicles, representing approximately 99% of the total fleet.

Moreover, SEJ has also introduced retread tires to 9,449 vehicles\*1, as of May 31, 2017. These tires are made from tires that have finished their service life by removing a certain amount of the rubber surface that contacts the road and applying new rubber and tread. In this way, they can be re-used as rear tires for delivery vehicles. SEJ will promote the use of retread tires to contribute to resource conservation and waste reduction by reusing them.

\*1. Tires may be removed and refitted several times for each vehicle, so the number is the total number of vehicles.



## Introduction of Energy-Saving Equipment at Distribution Centers

SEJ is promoting efforts to reduce wasted power usage at its distribution centers by introducing “demand controllers” that monitor the electricity usage of each unit of equipment and apply controls to the equipment in use to ensure that the usage does not exceed a certain range. As of May 31, 2017, the controllers have been introduced at 71 of SEJ’s 151 distribution centers.

## Promoting Environmental Information Management at Manufacturing Plants

SEJ has its original daily products manufactured by several contract manufacturers. These manufacturers have organized the Nihon Delica Foods Association, which reports on the CO<sub>2</sub> emissions, waste emissions, and the food recycle rate associated with plant operations. We work to ascertain environmental information shared by our contract manufacturers and hold study seminars in conjunction with the Environment Countermeasures Committee of the Nihon Delica Foods Association, where we share environmental measures such as energy-saving with each manufacturer in an effort to reduce energy use at their plants.



## Business Partner Action Guidelines and CSR Audit

To ensure that it meets its social responsibilities on matters such as human rights, labor issues and the environment, Seven & i Holdings formulated the Business Partner Action Guidelines and asks business partners to understand and implement them. The guidelines cover compliance with environmental laws and regulations, as well as consideration for climate change, biodiversity, and sustainable procurement.

Since the fiscal year ended February 28, 2013, we have had CSR audits conducted by third-party inspections organizations at the manufacturing plants of our private brand suppliers in developing countries. The CSR audits include inspections of environmental aspects, such as compliance with environmental laws and regulations, management of effluent and chemical substances, and promotion of energy-saving and environmental protection activities.

➤ [Further details about the Business Partner Action Guidelines can be found here](#)

➤ [Further details about CSR audits of business partners can be found here](#)

## Material Issue 3 Non-Wasteful Usage of Products, Ingredients and Energy

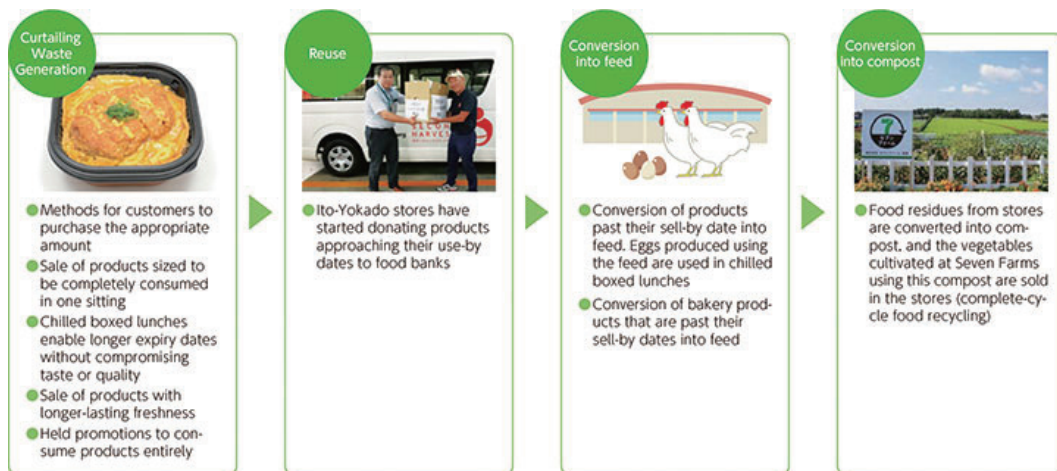
### Promoting Food Recycling

At Seven & i Holdings, food products account for a large portion of net sales. With this in mind, we have been advancing measures based on the key themes of reducing food waste and promoting recycling.

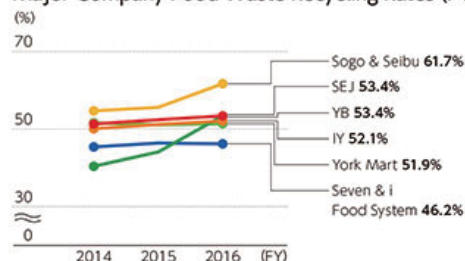


### Our Approach to Food Waste

Our priorities for reducing food waste are to curtail the generation of waste, promote the reuse of waste, convert waste into feed and fertilizer and recover heat. The Seven & i Group is currently conducting initiatives centered on converting waste into feed and fertilizer. For example, IY has been engaged in “recycling-oriented agriculture” since 2008. Under this system, food residue generated by IY stores is composted and used by Seven Farms to grow vegetables. These vegetables are then sold at IY stores. Looking ahead, we will continue to establish these recycling systems in each region, with a view to enhancing the recycling rate. We are also taking steps to curtail the generation of waste, including innovating sales methods and developing products with longer-lasting freshness. Looking ahead, we will continue to advance innovative initiatives to prevent the generation of food waste, such as by developing new products and services. Another crucial priority is to promote the reuse of waste. We will strengthen our hand in this area by considering the use of food banks and other measures.



Major Company Food-Waste Recycling Rates (FY2017)



## Reducing Food Waste

In order to reduce food waste, the Seven & i Group has been innovating its sales methods, products and other aspects of business in various ways. For example, IY has introduced sales methods such as selling individual loose items and selling by weight, enabling customers to purchase products only in the amounts they need. In addition, SEJ has developed chilled boxed lunches that have longer expiry dates than conventional products, without compromising taste or quality. This has been achieved by revising ingredients, manufacturing processes, and temperature control methods. SEJ is also working to reduce food waste by developing products with longer-lasting freshness in the categories of bread and sozai prepared dishes.

In other areas, Seven & i Food Systems has been implementing measures to reduce food leftovers at Denny's restaurants, such as providing menus offering dishes with smaller servings that can be finished comfortably without leftovers, supplying take-home boxes for any leftovers, and holding a campaign in collaboration with municipalities to encourage people to enjoy eating everything on their plate.

## Installing Systems to Treat Garbage

At IY, a "biodegradable garbage processor" system that breaks down garbage using microorganisms was introduced in October of 2011 and has been installed in 24 stores as of the end of February 2017. Through the power of microorganisms, the devices break down into water and CO<sub>2</sub> garbage that is ill-suited to recycling (such as highly fibrous substances, etc.). This process results in reduced CO<sub>2</sub> emissions compared to incineration processing, and it offers an effective reduction of waste volumes.



Garbage processor

## Converting Food Waste into Feed and Fertilizer

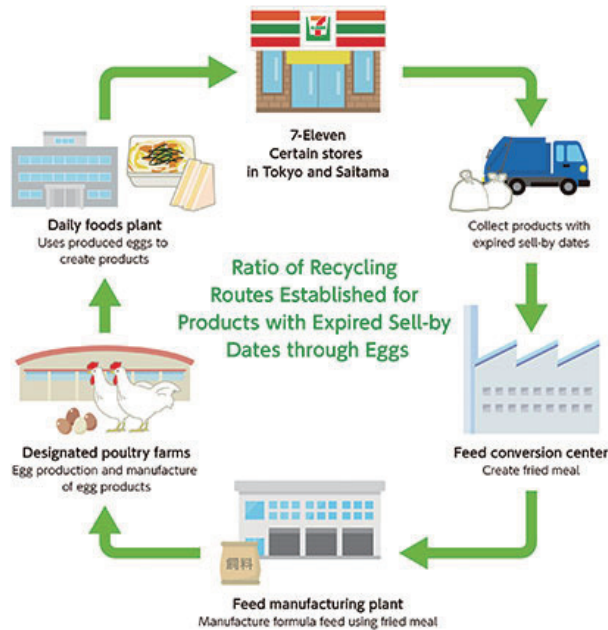
SEJ has been promoting "Eco Distribution<sup>\*1</sup>" since 1994 as a system for appropriate processing and recycling of waste. Under this system, we work to recycle food products that have passed their sell-by dates into feed and fertilizer. The system is operating in 27 prefectures in Japan. In the fiscal year ended February 28, 2017, the combined recycling rate for products that had passed their sell-by dates and discarded food oil was 53.4%.

Certain 7-Eleven stores in Tokyo and Saitama Prefecture have established routes within their supply chains for recycling products with expired sell-by dates discarded from stores into recyclable resources. The expired products are collected from the stores and converted into fried meal, which is used to manufacture formulated feed<sup>\*2</sup>. The formulated feed is fed to chickens at designated poultry farms and the eggs produced are used as a raw material in boxed lunches.

<sup>\*1</sup> Eco Distribution: 7-Eleven's original waste recycling system.

A recommended waste disposal provider for franchisees in each region collects all of the waste from 7-Eleven stores for appropriate processing and recycling.

<sup>\*2</sup> The products with expired sell-by dates that are used to manufacture formulated feed are recognized as safe raw materials in Japan because they have been licensed by the Ministry of Agriculture, Forestry and Fisheries for use as feed. The feed manufacturers manufacture and sell feed that complies with the BSE Guidelines issued by the Ministry of Agriculture, Forestry and Fisheries.



➤ More details on 7-Eleven initiatives can be found here (Japanese only)

## Recycling-Oriented Farms (Seven Farms)

In August 2008, with the aim of enhancing the recycling rate and revitalizing local agriculture, IY established “Seven Farm Tomisato” as an agricultural production corporation in Tomisato City, Chiba Prefecture, thereby becoming the first player in the retail sector to engage in “recycling-oriented agriculture.”

“Recycling-oriented agriculture” is a system for composting food residues (garbage) generated by IY stores and using it at Seven Farms. The produce that is grown at the farms is then harvested and sold at the stores from which the food residues were generated. In January 2017, the 12th agricultural production corporation Seven Farm in Japan, was established in Ota City, Gunma Prefecture.

### Seven Farms Outline



Seven Farm

➤ More details on Seven Farm can be found here (Japanese only)

## Material Issue 3 Non-Wasteful Usage of Products, Ingredients and Energy

### Effective Use of Resources

Depletion of resources such as oil has become an issue. Seven & i Holdings is working to reduce waste emissions associated with store operations, as well as working with customers and business partners to reduce container and packaging materials used for supplying products and to recycle them after they are used by customers.



### Reducing Waste Resulting from Products

IY is working to curtail the generation of waste and to promote reuse and recycling with a view to reducing waste emissions. For example, in product deliveries, we recommend the use of reusable containers and the use of hangers for delivery of apparel as a way of cutting down on the use of packaging and cardboard. At stores, we promote understanding of recycling, and store employees are encouraged to rigorously sort waste for recycling purposes.



Reusable containers for store deliveries

### Reuse of Fixtures and Building Materials from Closed Stores

When 7-Eleven stores are to be rebuilt or closed, rather than disposing of the product shelving, fixtures, chiller cases, and lights, they are reused at other stores. In the fiscal year ended February 28, 2017, 49,409 items of store equipment were recovered and reused. Furthermore, reusable steel frames and recyclable sashes are used in construction of stores to reduce the amount of waste produced during store demolition.

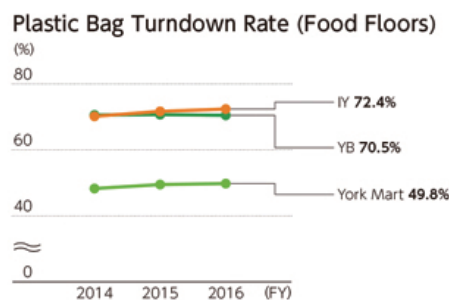


## Innovating Sales Methods to Reduce Containers and Packaging

At IY, YB, and York Mart, we have devised sales methods for fresh food and delicatessen items that reduce the use of containers and packaging, such as selling by weight or selling individual loose items. In our delicatessen sales areas, we are increasingly using paper bags rather than plastic containers for selling items such as croquettes and fried chicken. In other areas, some fresh meat sales areas have adopted the method of packing meat for sale in plastic bags without a polystyrene tray.

## Reducing the Use of Disposable Plastic Bags

The Seven & i Group promotes the reduced use of disposable plastic bags by asking customers whether they need a bag at the register, displaying posters and POP signs, and holding events to encourage customers to bring their own shopping bags when shopping at stores. Moreover, IY has discontinued the free distribution of plastic bags on the food floors of all its stores and YB has followed suit at around 90% of its stores. SEJ is working to introduce biomass polyethylene shopping bags.



## Resource Recovery at Stores

The Seven & i Group is promoting an important initiative to recover and recycle empty containers and other materials from its products. Every Group company cooperates with customers and local governments to recover resources such as bottles, cans, polystyrene, milk cartons, and PET bottles at stores in accordance with local waste disposal sorting rules. Recently, some stores of the Group have also been cooperating with local governments to recover small electrical appliances, which have been drawing attention as "urban mines." For example, IY's Kasai Store hosted the event "Creating Products from an Urban Mine - Medal Project for Everyone" held by the Ministry of the Environment in February 2017. Currently, 10 stores have a permanent recycling box for small home appliances (as of February 2017), and are working to increase awareness among local residents and to collect materials.

## Installing Automatic PET Bottle Collection Machines

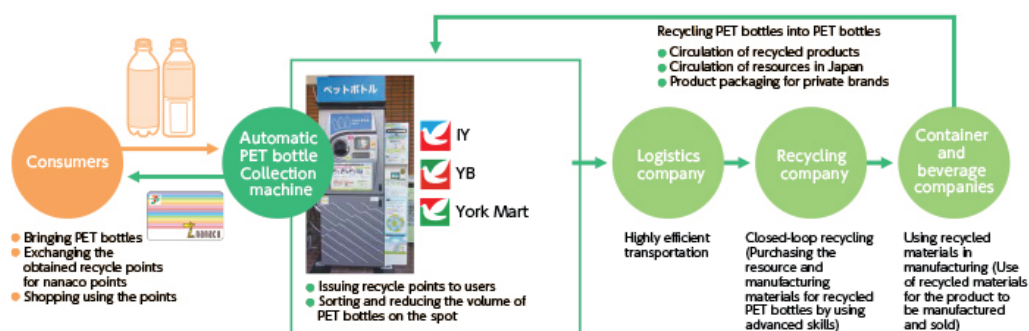
IY, YB, and York Mart have had automatic PET bottle collection machines installed at stores since 2012. Because PET bottles inserted into the machines undergo an automatic process of foreign-matter removal and volume-reduction (by either compression or crushing), large volumes of bottles for recycling can be sent to recycling plants on each occasion, which reduces the delivery frequency from stores. Moreover, by utilizing Seven & i Holdings logistics routes, more efficient transportation is possible and the volume of CO<sub>2</sub> emissions resulting from the operations can be reduced.

Some of the collected PET bottles are made into new PET bottles for the domestic market. This “closed-loop recycling” system of recycling PET bottles into new PET bottles is the first attempt by a major retail chain in Japan to be implemented on such a large scale. As of the end of February 2017, collection machines have been installed in 364 stores across the three companies, and approximately 5,952 tons of PET bottles have been collected.

We are promoting an initiative to recycle material from PET bottles recovered at stores and use it in packaging for Seven Premium private brand products. Moreover, we have printed a note explaining the process from recovery to recycling on the product packaging.

In December 2015, a 7-Eleven store in Koto-ku, Tokyo, became the first convenience store to install an automatic PET bottle collection machine as part of a trial demonstration by the Ministry of the Environment.

### PET Bottle Recycling System Using an Automatic Collection Machine





## Material Issue 3 Non-Wasteful Usage of Products, Ingredients and Energy

### Introduction of Environmentally-Friendly Packaging

Seven & i Holdings is introducing packaging made using materials that have a low environmental impact and recycled materials.



### Environmentally-Friendly Seven Premium

With its private brand Seven Premium, the Group seeks to promote the values of “taste,” “quality,” and “safety and reliability,” while at the same time developing products that are environmentally-friendly. So far, the Group has used environmentally considerate packaging such as recycled PET or forest thinning materials in 150 Seven Premium products. In the fiscal year ending February 28, 2018, the Group aims to introduce eco-friendly packaging for 740 products, mainly through the use of plant-based ink, expanding the initiative to all products by the end of the fiscal year ending February 29, 2020.

### Change to Recyclable Packaging

In July 2015, we changed the paper cartons used for Seven Premium alcohol products from the previous aluminum carton material to a non-aluminum carton material. This change enables the cartons to be recycled as paper. Moreover, the volume of CO<sub>2</sub> emissions per carton from the raw material procurement and manufacturing process is around 12% lower compared with the aluminum cartons. Furthermore, the CO<sub>2</sub> reduction effect from this initiative is projected to be 170 tons per year, the equivalent of the CO<sub>2</sub> absorbed by approximately 12,000 cedar trees.



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

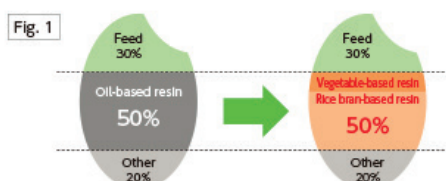
## Use of Plant Based Ink

In April 2016, SEJ introduced rice ink for printing the packaging of rice balls sold at its stores. Rice ink is made from rice bran oil, a non-edible part of the plant extracted from rice bran. This ink reduces the company's annual CO<sub>2</sub> emissions by around 60 tons compared with conventional oil-based inks and is therefore expected to help reduce environmental impact. Moreover, the packaging is also contributing to our efforts to promote local production for local consumption by using domestically produced rice bran oil, which is one of the raw materials.

In December 2016, SEJ changed to plant-based packaging film and ink for its original bakery products. Compared with the previous oil-based packaging, this is expected to reduce the company's annual CO<sub>2</sub> emissions by approximately 108 tons.

The Group also started using plant-based ink for all of its Seven Premium brand bakery products in May 2017 and plans to use the ink more extensively going forward.

### About Rice Ink



The resin in this ink has been changed from an oil-based to a vegetable-based resin derived from rice bran, which comprises around 50% of the ink coating film.



Rice ink is made from the rice bran produced at a rice mill when polishing rice, which is the main raw material for SEJ's products.

## Use of Forest Thinning Materials

Certain Seven Premium cup soups and yoghurt drinks have containers made with Seven Forest thinning materials. Japan has a large number of unmaintained man-made forests that have been left unattended. With many such forests currently not fulfilling their potential as carbon sinks, use of forest thinning materials can contribute to the creation of healthy forests and prevention of global warming.

Forest thinning materials are also being phased in for use in the outer sleeve section of the hot cups used for SEVEN CAFÉ, which is sold mainly at 7-Eleven stores throughout Japan.



Products that use forest thinning materials



A SEVEN CAFÉ cup and the Forest Thinning Material Mark

➤ [See here for further information about Seven Forest \(Japanese Only\)](#)

## Introduction of Recycled Materials

IY is introducing recycled trays manufactured by suppliers that have received Eco Mark certification. In the fiscal year ended February 28, 2017, approximately 800 types of recycled tray were introduced (an increase of 5% year on year by weight). The introduction of recycled trays reduced annual CO<sub>2</sub> emissions by approximately 3,082 tons.

Moreover, in packaging for lifestyle household goods such as Seven Premium Refillable Body Soap, the Group has adopted recycled materials such as PET bottles, some of which are recovered at Group stores.



Recycled tray



Packaging made from recycled PET bottle material

## Introduction of Biodegradable and Biomass Materials

In the fiscal year ended February 29, 2016, SEJ replaced the original Salad Cup Container sold in the chilled cases of its stores with containers that use environmental PET made from recycled or biomass PET rather than oil-based PET. The CO<sub>2</sub> emission reduction resulting from the change for that fiscal year was 1,790 tons. IY will also use bioplastics that make partial use of plant-based oil materials for the containers in its cut fruit and boxed lunches.



Example of Salad Cup Container using environmentally-friendly PET

## Change to Eco Materials for Product Labels

The Seven & i Group private brand Seven Premium Select Fresh Eggs package label includes CO<sub>2</sub>-adsorbing material. By using this CO<sub>2</sub> adsorbent, consisting of nanovesicle capsules that capture the carbon emitted during combustion as ash, CO<sub>2</sub> emissions can be reduced by around 20% compared with ordinary labels.



Example of product labels using CO<sub>2</sub> absorbing agents

## Material Issue 3 Non-Wasteful Usage of Products, Ingredients and Energy

### Internal and External Communication

Seven & i Holdings is working to raise the awareness of Group employees by providing them with environmental education and other initiatives. At the same time, it is emphasizing communication with customers, external environmental organizations and so forth.



### Promoting Environmental Education of Employees and Taking the Certification Test for Environmental Specialists

Seven & i Holdings regularly holds training for new recruits and newly appointed corporate officers in line with the characteristics of each Group company. The aim is to instill basic knowledge and facilitate their understanding of environmental matters. In the fiscal year ending February 28, 2018, the Group has held e-learning for all Group employees, timed to coincide with Environment Month (June).

Since the fiscal year ended February 28, 2015, the Group has been encouraging employees to pass the Certification Test for Environmental Specialists (Eco Test) as a training tool for systematically acquiring a broad knowledge about increasingly diverse environmental problems. Each company supports test takers by subsidizing test fees, holding study sessions, and so forth. In the fiscal year ended February 28, 2017, 1,255 people took the test, with 983 of them passing (2,364 cumulative test passers since the fiscal year ended February 28, 2015). The Group is continuing to promote environmental education, aiming to achieve 12,000 test passers Groupwide by 2020.

### Holding Environmental Events

Seven & i Holdings holds environmental events both within and outside the Company to provide opportunities to raise the environmental awareness of employees. For example, Group employees and 7-Eleven franchisees regularly participate in volunteer activities organized by the Seven-Eleven Foundation. Major activities include events such as forest care operations ranging from tree planting to tree thinning and undergrowth cutting at "Seven Forests" in 17 locations throughout Japan; marine afforestation initiatives to increase eelgrass, which purifies water and reduces CO2 in Tokyo Bay, thereby enriching the bay's marine environment; and cleanup activities on Mt. Fuji. In the fiscal year ended February 28, 2017, a total of 1,571 people took part in such events, comprising both Group employees and personnel from SEJ franchised stores.

Furthermore, in the fiscal year ended February 28, 2017, Seven & i Holdings held environmental study sessions using the Takao Forest and Nature School. York Mart teamed up with its labor union to hold a study tour on the environment for employees and their families.

➤ [For more details about "Seven Forest" \(Japanese Only\)](#) 

➤ [For more details about the Tokyo Bay UMI Project \(Japanese Only\)](#) 

## Support for NPOs and Other Environmental Organizations

Seven & i Holdings continues to make donations to various environmental organizations such as the Keidanren Nature Conservation Fund, which promotes wider awareness of biodiversity and supports the nature protection projects of environmental and wildlife preservation group WWF Japan and various NGOs in and outside of Japan.

In addition, SEJ has been conducting environmentally themed social contribution activities together with franchised stores through the Seven-Eleven Foundation since 1993. Based on contributions\*1 from customers collected through collection boxes placed at the counters of 7-Eleven stores, along with donations from SEJ and other funds, the Seven-Eleven Foundation engages in environmental citizenship activity support projects, natural environment protection and conservation projects, publicity projects, and disaster recovery assistance projects. One of the major pillars of the environmental citizenship activities\*2 is the funding of NPOs conducting regional environmental activities. The foundation has been calling for applications from NPOs each year since 2001, with the goal of seeing regional donations used to support regional environmental activities. Over the past 15 years in total, the foundation has provided approximately ¥1,857.34 million in funding for 2,947 activities.

The Seven-Eleven Foundation operates the Kusu Furusato Nature School located in Kokonoe Town, Kusu District, Oita Prefecture and the Takao Forest Nature School in Hachioji City, Tokyo based on the principle of "Learning from nature: how to promote coexistence and mutually beneficial relationships between people and nature and the natural environment and local communities." The Kujuu Furusato Nature School is engaged in projects to protect and preserve the nature of Kujuu and to create towns where the crested ibis can also live. The school's efforts to promote creation of rice fields that coexist with nature and where living things can thrive has been designated as a project in coordination with the Japan Committee for the United Nations Decade of Biodiversity. The Takao Forest Nature School is a collaborative project with the Tokyo metropolitan government, operating in a forest of approximately 26.5 ha owned by Tokyo Metropolis. The school's programs include bird watching, volunteer experiences in the forest, flora observation, and craft work.

\*1. Storefront donations collected in the fiscal year ended February 28, 2017 amounted to ¥441,234,051. The total amount of storefront donations collected since the fiscal year ended February 28, 1995 is ¥6,617,039,244

\*2. Assistance for environmental NPOs through public support in the fiscal year ended February 28, 2017 (including recipients of ongoing support): 304 support projects; ¥182,454,549 provided in total



Collection box placed on counters in stores



Kujuu Furusato Nature School

## Responding to Opinions and Requests

We receive and respond to opinions and requests relating to the environment from customers and civic groups at the customer service offices at each Group company and at the CSR Department of Seven & i Holdings. In 2014, when we identified the material issues that Seven & i Holdings should address, we incorporated the opinions of stakeholders including customers, business partners, shareholders and other investors, as well as those of CSR experts.

➤ [For more details about the selection process for material issues](#)

## Policy Recommendations

Seven & i Holdings makes policy recommendations during the drafting of laws and operational rules by participating as necessary in meetings organized by government organizations, central government ministries and agencies, and industry groups, as well as in other forums.

For example, in the fiscal year ended February 28, 2017, Seven & i Holdings participated in the Small Electric Appliances Investigation Committee hosted by the Ministry of the Environment. We provided opinions on initiatives for promoting awareness of small electric appliance recycling from a retail business perspective. In conjunction, Group company IY held an awareness-raising event and small electric appliance collection drive for head office employees, among other initiatives.

## Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

### Approach to Material Issue

The Seven & i Group has close to 140,000 employees working throughout the Group. Workplaces also include part-time employees, foreign nationals, and employees working short hours due to childcare and family care responsibilities. With this diverse workforce, we recognize that we have a duty as a corporation to support diverse working formats. We support the careers of our diverse employees and strive to create appealing workplaces that make work worthwhile. This enables us to steadily acquire diverse human resources, and also drives us to incorporate completely new ways of thinking and generate new value. It is therefore a source of competitiveness.

#### Policy Regarding CSR

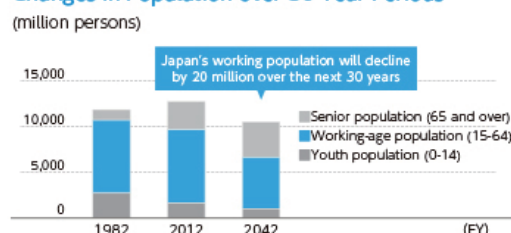
➤ [Seven & i Holdings Corporate Action Guidelines](#)

### Background to Material Issue

#### Population Aging and Decline in Productive-Aged Population

In Japan, the birth rate is in decline, and the population is advancing in age, leading the productive-aged population to decline. Over the next 30 years or so, the productive-aged population is projected to decline by over 20 million. For this reason, raising productivity by bolstering employee capacities and developing diverse personnel will help vitalize Japan's economy and society.

Changes in Population over 30-Year Periods

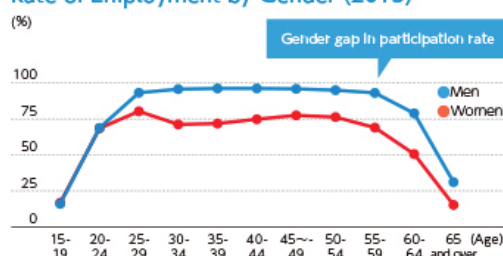


Source: Population Estimates, Statistics Bureau, Ministry of Internal Affairs and Communications  
Population Projections for Japan (January 2012 Estimates), Statistics from the National Institute of Population and Social Security Research

#### Supporting Active Roles for Women

With the productive-aged population in decline, it is essential to promote active participation by women. However, many women are denied the opportunity to work, for example, because it is not possible to balance work with childcare, or because they have been unable to return to work after childcare. Furthermore, the ratio of women in management in Japan is relatively low by international standards at 12.5% (2015). Creating workplaces where women can play an active role is therefore an important task.

Rate of Employment by Gender (2015)



Source: Labor Force Survey (Ministry of Internal Affairs and Communications)

## Promotional Framework for Material Issues

In response to this material issue, the CSR Management Committee, led by the president, and its subordinate Corporate Ethics and Culture Subcommittee, work together with the Group companies and related divisions to create environments that allow individual employees to perform to their full potential and promote the development of appealing, fulfilling workplaces. These activities are supervised by the Seven and i Holdings executive officer in charge of Corporate Communication.

## Contribution to SDGs

Though its engagement in this material issue, Seven & i Holdings provides pleasant working conditions for people inside and outside the company regardless of gender or age, thereby contributing to the achievement of Sustainable Development Goals (SDGs) 4, 5, 8 and 10.



## Seven & i Holdings' Initiatives

### Making Use of Diverse Human Resources

We aim to enhance our corporate competitiveness through active participation of diverse human resources with the goal of becoming a company with a sustainable competitive advantage.

[➤ More](#)

### Achieving a Work-Life Balance

We have a range of human resource systems in place to help employees to work more easily. We are also working to correct long working hours and encourage employees to take leave.

[➤ More](#)

### Support for Fostering More Capable Employees

We are helping to improve the skills and abilities of every employee by having each Group company develop training systems tailored to the business characteristics of each company and work to develop its human resources.

[➤ More](#)

### Assuring Fair Assessment and Treatment of Employees

We are operating various assessment systems for employees to maximize their individual abilities and ensure fair assessments free of unreasonable discrimination.

[➤ More](#)

### Consideration for Occupational Safety and Health

We are taking a range of measures to maintain safe and comfortable workplaces and promote better health among employees.

[➤ More](#)

### Employee Opinion Survey

We conduct an anonymous employee survey every two years in order to gauge employees' workplace satisfaction and their awareness of compliance.

[➤ More](#)



## Sound Labor-Management Relations

We recognize various rights of workers based on international norms, such as the right of workers to organize, as we strive to enhance the workplace environment through dialogue with employees.

[▶ More](#)

## Support for Childcare

We offer various types of assistance related to childcare through our stores and establishments.

[▶ More](#)

## Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

### Making Use of Diverse Human Resources

Seven & i Holdings has positioned supporting active roles for women, youth, and seniors as a material issue, and aims to enhance its corporate competitiveness through active participation of diverse human resources, with the goal of becoming a company with a sustainable competitive advantage.



### Enhancing Sustainable Competitive Advantage through Active Participation of Women

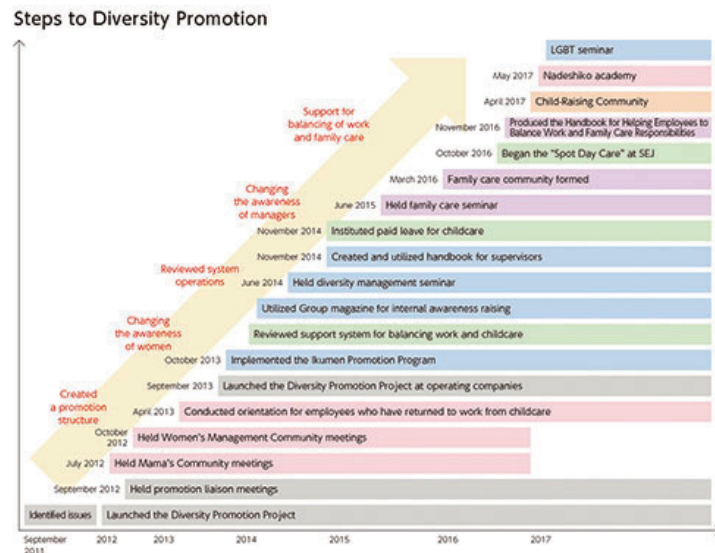
Seven & i Holdings established the Diversity Promotion Project in 2012 and has promoted initiatives with a focus particularly on women's participation and advancement, based in part on the thinking that incorporating the perspectives and sensibilities of women into product and service development and sales floor arrangements translates into higher customer satisfaction given that a majority of customers that visit the Group's stores and other establishments are women. As the next steps in the initiative, in 2012 we created a promotion system and in 2013 conducted measures for awareness-raising among women themselves and revised operation of the system. In the fiscal year ended February 28, 2015, we moved to the stage of raising the awareness of management-level employees. In addition, since the fiscal year ended February 29, 2016, we have promoted initiatives to support the balancing of work and family care responsibilities, and we will take further measures to achieve our targets for diversity promotion by 2020.

At the same time, we have also reviewed working formats for greater productivity, focusing on rectifying long working hours, which have been a barrier to the further advancement of diverse personnel, and on achieving employee work-life balance. By promoting initiatives in line with the business formats at each Group company, including organizing work process improvement teams to raise the efficiency of store operations, visually representing overtime work and leave days used, and establishing no-overtime days, we have successfully corrected overtime work and increased the rate of leave taken. Our next step will be to aim for even greater productivity gains while promoting initiatives to enable flexible work styles that allow diverse human resources to play active roles.

### Diversity Promotion Targets (revised January 2016)

By 2020

1. Raise percentage of female managers: 30%
2. Encourage male employees to participate in childcare
3. Eliminate retirements resulting from need to provide family care
4. Improve employee satisfaction
5. Improve external evaluation



## Fostering a Culture Where Diverse Personnel Can Play an Active Role

Seven & i Holdings is working to promote active roles for women by conducting community activities and seminars targeting various levels within the Group.

### Child-Raising Community

Internal interviews conducted in 2012 revealed concern among many female employees about balancing work and childcare responsibilities. In response, in 2012, we started holding Mama's Community meetings to build a network of women involved in raising children. The group uses lunch breaks to hold discussions on balancing work and child-raising. In the fiscal year ended February 29, 2016, a career planning sheet was created and community participants conducted self-analysis of their own strengths and weaknesses and the skills they have acquired and created their own career plans based on life plans, which served to foster greater career awareness. Since April 2017, Mama's Community has been developed further to host a "Child-Raising Community." Both male and female employees involved in raising children, as well as pregnant employees, their spouses, and others, share information and hold discussions on balancing work and child-raising. Their activities have led to a review of work styles.



Child-Raising Community

## Ikumen Promotion Program

Women's participation and advancement requires that men become more involved in housework and childcare. For this reason, the Ikumen Promotion Program was established in October 2013. It brings in outside lecturers from organizations such as the NPO Fathering Japan, reaffirms the necessity of participation by men in housework and childcare, supports awareness-change among men, and promotes review and revision of existing work formats. In the fiscal year ended February 28, 2017, Group company directors, general managers, section leaders, and other responsible male employees held a panel discussion comparing fathers from the mid-20th century with fathers from the late 20th century through to current times, and the fathers of the future.



Ikumen Promotion Program

## Career Support for Women

The Women's Management Community meetings have been held since October 2012 to create a network of female managers and further refine managerial abilities. The community held a total of 19 seminars through to the end of February 29, 2016 and invited speakers from inside and outside the Company and held seminars on management knowledge and skills needed to advance to a higher position. In the fiscal year ending February 28, 2018, the Company started holding new "Nadeshiko Academy" for developing future managers.



Women's Management Community

## Diversity Management Seminars

The Diversity Management Seminars have been held since June 2014 to change the awareness of managers. The seminars have been held 12 times as of February 2017, and approximately 4,000 people from all Group companies have participated. Led by outside lecturers, the seminars cover such issues as management of diverse staff members, reforming work formats, and leadership. They provide the opportunity for managers to think about diversity from a number of different perspectives. In June 2017, to mark the fifth year since the launch of the Diversity Promotion Project, lecturers were invited from leading companies to “Seven & i Diversity Day 2017.” The event was attended by around 400 CEOs and management team members from every Group company.

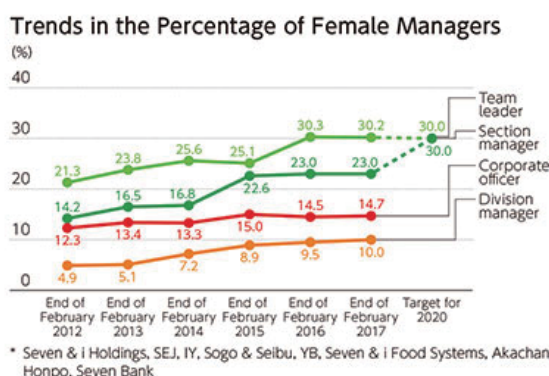
The Diversity Management Handbook is also distributed to managers at all Group companies to promote communication with staff members working to balance work and childcare or family care responsibilities in order to further train managers to make good use of their diverse personnel to generate results.



A Diversity Management Seminar

## Increasing the Ratio of Female Managers

We are working to promote highly capable women and further bolster personnel training to meet the goal of a 30% ratio of female managers by 2020, one of our targets for diversity promotion. As a result of this initiative, female manager ratios, which were 21.3% for team leaders and 14.2% for section managers at the end of February 2012 before the project started, have risen to 30.2% for team leaders and 23.0% for section managers as of the end of February 2017. There has also been progress in changing awareness among female employees and managers in general, and there are now actually numerous managers in the short working hours program. At present, we are working to further train and promote women by holding selective training for managerial roles and management track candidates at Group companies and encouraging them to share career plans with supervisors during individual meetings.



## Improving External Evaluation

Seven & i Holdings has established specific targets for promoting the active role of women, and the entire Group has worked together to make progress on them. The Group's initiatives and proactive appointment of female managers were recognized in January 2015, when we were awarded the Prime Minister's Award at the Leading Companies Where Women Shine Awards, as well as the Corporate Activity Award from Tokyo Stock Exchange, Inc. In 2017, we were chosen as a "2017 Nadeshiko Brand" by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange, Inc. Moreover, we placed No. 2 overall in 2015 and 2016 and No. 3 overall in 2017 in the "100 Best Companies Where Women Play Active Parts," sponsored by Nikkei WOMAN magazine and the Nikkei Womanomics Project.



Ceremony for the Leading Companies Where Women Shine Awards (January 2015)



2017 Nadeshiko Brand

## Initiatives at Group Companies

Since September 2012, Seven & i Holdings has held quarterly diversity promotion liaison meetings with diversity managers at the Group's eight core operating companies (including Seven & i Holdings) to rapidly develop horizontally initiatives proposed for the Diversity Promotion Project at the operating companies. Participation was expanded in 2015 to 12 companies and through the meetings Group synergies continue to be generated.

In addition, dedicated diversity teams have been launched at each Group company since September 2013. To achieve the Group's targets, individual targets have now also been set in line with operating company characteristics and initiatives are under way. For example, at SEJ, the training and hiring of women in the sales division has been identified as an issue, and the company is reviewing its hiring practices, improving working conditions, and promoting systematic hiring of women. In addition, IY has identified as an issue the promotion of women to managerial positions and has been working to train female managerial candidates, raise the awareness of managers by holding lectures on diversity management at store manager meetings, for example, and promote greater participation by men in childcare. Sogo & Seibu are having women actively participate in management training for further development and promotion. York Mart is taking steps to improve individual skill and motivation by conducting orientation for employees who have returned to work from childcare leave and exchanging opinions on common issues related to balancing work and family life.



## “L-Boshi” Designation as a gender-advanced company based on the Act on the Promotion of Women’s Participation and Advancement in the Workplace

Seven & i Holdings acquired third rank - the highest - in the “L-Boshi” Designation for gender-advanced companies based on the Act on the Promotion of Women’s Participation and Advancement in the Workplace. We achieved the designation standard in all five evaluation categories: recruitment, career continuation, work style factors such as working hours, management ratio, and diversity of career paths. Similarly, IY, Seven Bank, Seven Card Services, Nissen, and Nissen Life have also obtained third rank, and Seven & i Food Systems has obtained second rank. (As of June 30, 2017)



Third rank



Second rank

“L-boshi” certification mark

## Promoting Employment of People with Disabilities

Seven & i Holdings is assisting people with disabilities to demonstrate their abilities at their workplaces based on its commitment to providing an environment where everyone can play an active role. To this end, all operating companies consult with employees with disabilities to determine the workplaces, jobs and working hours that are suitable in consideration of the level and details of their disability and their own preferences. In this way, people with disabilities work in various divisions.

In recruitment, we coordinate with special-needs schools to provide onsite training in stores and participate in job interviews organized by local employment agencies and partner with vocational schools. Furthermore, all Group companies are provided with the Seven & i Holdings Normalization Support Guide, which contains basic knowledge and practical recruitment methods when employing people with disabilities, to ensure that all people who are responsible for recruitment and education at Group companies are aware of considerations regarding disabilities and that they implement them.

Furthermore, Terube, Ltd.\*1, which is a special subsidiary established to foster the employment of people with severe disabilities, employs 20 people with disabilities as of June 1, 2017. As a result, the Group’s employment rate of people with disabilities\*2, including those employed by Terube, came to 2.51%. (As of June 1, 2017)

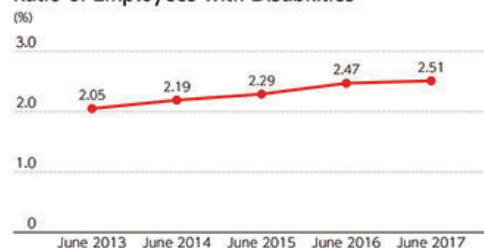
\*1 Established in 1994 through joint investments from Seven & i Holdings, SEJ, IY, YB, Seven & i Food Systems, and the City of Kitami in Hokkaido Prefecture. The company offers secure, long-term employment for people with disabilities and carries out activities to raise awareness about the concept of normalization.

\*2 The Group’s employment rate of people with disabilities covers the five companies of Seven & i Holdings, Terube, SEJ, IY, and Seven & i Food Systems.



Special subsidiary, Terube Ltd.

### Ratio of Employees with Disabilities



\* The ratio of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terre Verte (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.



## Support for Participation of Seniors and Non-Japanese Employees

Seven & i Group companies have a system for rehiring employees after mandatory retirement, providing an opportunity for veteran employees to use their skills and abilities. At IY, for example, a re-employment system that allows people to continue working until age 65 was introduced in 1995 in response to employees who said they wanted to continue working after the mandatory retirement age. Employees can select from three options of working days and hours to suit their wishes, enabling them to work in diverse ways. From April 2006, the Senior Partner System was implemented to allow part-time employees to work until age 65 as well. As of February 2017, 6,095 senior partners are active in the company. The system was also expanded in 2017 to enable people to continue working up to the age of 70.

With the birthrate declining, society aging, and the working-age population decreasing, SEJ is creating employment opportunities for seniors who want to work. The company actively participates in joint company presentations on senior employment held by municipalities and promotes the hiring of seniors. For people concerned about working at a convenience store, SEJ strives to provide detailed information and maintain conditions that are conducive to working with confidence. The company also provides training for seniors and non-Japanese people to give them support.



Joint company presentation

## Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

### Achieving a Work-Life Balance

Seven & i Holdings is promoting the concept of “work-life synergy,” which aims to create synergies by utilizing the perspective of a consumer in work while simultaneously leveraging the lessons of work in life. We have a range of assistance systems that exceed minimum legal requirements to enable diverse employees work with peace of mind. To make it even easier for employees to work, we are also taking steps to correct long working hours and encourage the use of paid leave.



### Enhancing Childcare and Family Care Assistance Systems

Since November 2014, the Seven & i Group has implemented various systems that go beyond legal minimums to enable employees, including part timers, to continue working with peace of mind while engaging in childcare or nursing care. For example, at Ito-Yokado, which has some 40,000 employees, the most among the Group's operating companies, there is a childbirth and childcare program and a family care program that can be utilized by employees, both men and women, who have worked at the company for a least a year; the programs are also available to part-time employees. The programs may be freely selected for use by individual employees, and combining a leave program with a reduced work hours plan is also possible.

#### Ito-Yokado's Childcare and Family Care Assistance Systems

	Childcare Assistance System	Family Care Assistance System
Reduced work hours	Employees can work reduced hours until April 15 of the year their child starts junior school. *Can be combined with other leave programs.	Employees can work reduced hours for up to three years following the initial reason. *Can be combined with other leave programs, but any leave taken is included in the three-year limit.
Work until 7:00 p.m.	Full-time employees can end their workday at 7:00 p.m. until April 15 of the year their child starts junior high school	None
Leave	Employees can return to work after taking leave for up to two years. *Up to three years depending on the circumstances (Can be combined with short working hours).	Employees can take up to a one year of leave following the initial reason. The leave can also be split up and taken at different times. *Can be combined with short working hours.
Re-employment	Employees resigning to focus on childcare are given priority in hiring for three years.	Employees resigning to focus on family care are given priority in hiring for three years.

## “Spot Day Care”

Seven-Eleven Japan began the “Spot Day Care” initiative in October 2016 to support the careers of employees with small children. Seven-Eleven Japan, the franchise chain headquarters, is responsible for providing support for franchised stores, and is involved in distribution and retail operations, so holidays and the New Year’s vacation period, which are peak times for retail, are basically working days. However, for employees raising small children, it can be difficult to find day care on holidays, over New Year’s and during other extended vacation periods, so this initiative establishes temporary day care facilities in company meeting rooms and at facilities near the company’s business offices. It was started on a trial basis at four business offices, and starting in May 2017 it was put into full operation and extended to 21 offices.

Further, in May 2017, Spot Day Care was introduced on a trial basis at 14 companies in the Seven & i Group to help create a working environment that sufficiently enables employees to pursue their careers.



At a Spot Day Care facility

## Platinum Kurumin Certification

Ito-Yokado has become the first company in the Tokyo Metropolitan Area to receive “Platinum Kurumin” Mark certification from the Ministry of Health, Labour and Welfare, following a revision of the Act on Advancement of Measures to Support Raising Next-Generation Children in June 2015. “Platinum Kurumin” is awarded to companies that have already received “Kurumin” certification and have advanced use of systems to support balancing work with childcare to a significant degree while implementing measures at a high level. The system was established in 2015 to promote continued initiatives. Ito-Yokado has already received the “Kurumin” certification twice, and has actively utilized its Re-Challenge Plan, a personnel system for supporting childcare to help workers balance work and childcare. Other initiatives include holding opinion exchange events with employees who are involved in childcare, diversity seminars at store manager meetings, and promoting the taking of annual paid leave by employees, especially part-time workers. These activities were highly rated. Ito-Yokado will make even further efforts to create an environment where employees can work with peace of mind going forward.



Corporate certification ceremony (June 2015)

## Promotion of Participation by Men in Housework and Childcare

To promote greater participation by men in childcare, a childcare leave program has been phased in at Seven & i Group companies since November 2014. The program provides five special vacation days per year that can be used in one-day increments to employees with pre-school aged children. Since the program was started, it has been used by many employees for various reasons involving their children, such as when their spouse gives birth, or to attend kindergarten entrance and graduation ceremonies or participate in field day events. In the fiscal year ended February 28, 2017, 44 male employees took childcare leave at Seven & i Holdings, along with 461 at Seven-Eleven Japan, and 498 at Ito-Yokado.

In addition, Seven-Eleven Japan has created a handbook on the childcare and nursing care leave to promote understanding of the programs and encourage their use. It introduces the significance of the programs and how to apply to utilize them in an easy-to-understand manner. Moreover, at Ito-Yokado, a community has been established for male employees involved in childcare. It provides participants the opportunity to think about their own work-life balance as well as consider the productivity and working formats of their divisions.

## Aiming to Eliminate Retirements Resulting from Need to Provide Family Care

Along with promoting active roles for women since the fiscal year ending February 29, 2016, the Seven & i Group also works to help employees balance their jobs with family care responsibilities. In the near future, approximately 70% of employees may be involved in balancing these two responsibilities, so it is expected to become a major issue going forward.

Given this expectation, since June 2015 we have conducted regular seminars with outside experts on preparing in advance for family care responsibilities since it is important to be ready before the need for care arises. Employees have been extremely interested in the topic and many have participated in the seminars. Further, a family care community was established in November 2015 for employees engaged in balancing work and family care. It works to eliminate anxiety by identifying issues related to the balance and by building networks. In October 2016, we produced the Handbook for Helping Employees to Balance Work and Family Care Responsibilities, with a view to using it in all Group companies to support the creation of working environments that make it easy to balance these commitments.

## Volunteer Leave System

To support employee participation in local community activities for people with disabilities, family care support, environmental beautification, disaster reconstruction support, and other objectives, Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, York Mart, Seven & i Food Systems, and Seven Bank have instituted a volunteer leave system under which employees can take five days off per year for volunteer work.

In the fiscal year ended February 29, 2017, 33 Group employees took volunteer leave.

## Telework System

Seven Bank established a telework system in the fiscal year ended February 29, 2016, that allows employees to continue to perform their jobs if they have difficulty commuting due to pregnancy, childcare or family care responsibilities, an injury or other reason.

## Restricting Long Working Hours

Seven & i Holdings conducts various initiatives throughout the Group to restrict long working hours. The internal newsletter distributed to the Group's approximately 70,000 employees contains a monthly column on working styles to raise awareness, and in our Diversity Management Seminars conducted since 2014, there are lectures by specialists and presentations on progressive initiatives at other companies related to work styles. Around 4,000 employees in total from 28 Group companies have attended the seminars as of the end of February 2017. Many of the seminar participants work to increase communication with their subordinates and take further action to improve working styles. In addition, restricting long working hours requires that measures be taken at the Group business level. Measures are being devised by individual companies to reflect their individual characteristics based on the results of the Employee Opinion Survey. Progress is communicated through the Work Satisfaction Improvement Committee, which is made up of representatives from each company, in order to promote improvement activities. Good examples are also shared with the Corporate Culture and Ethics Subcommittee, which is under the CSR Management Committee, to extend exceptional initiatives to other Group companies.

➤ Further details of the Employee Opinion Survey can be found [here](#)

### Example of Seven-Eleven Japan

We are working to reduce long working hours while engaging with each individual employee. At sales meetings, talks by the president and other management members on work style reforms are communicated to further raise awareness, and examples of initiatives that were successful in reducing overtime are shared at area meetings. We are also working to reduce overtime by instituting a new attendance management system that can perform real-time monitoring of overtime and use of leave for both managers and staff members. In addition, the Leave-Taking Promotion Day is held six days a year to encourage employees to make use of their annual paid leave.

### Example of Ito-Yokado

Overtime and paid leave taken at each store is shared each month with all employees to further raise awareness. In addition, working hours, overtime hours and other work records, along with how many holidays and leave days are being taken can be compared and analyzed on an employment management system for each individual, sales floor, and store. When safety and health committees are convened each month at the store level, they use this system to discuss the causes of long working hours and improvement measures. At divisions that have issues, labor and management work together to make improvements to operations.

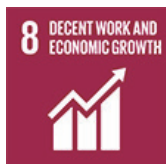
### Example of Akachan Honpo

“No Overtime Week” initiatives are also being conducted to restrict long working hours. Employees personally designate three weeks out of eight weeks as no overtime weeks, and this is incorporated into their work schedules in advance. This creates a follow-up system at the workplace level. Managers with employees that have worked over a certain number of hours of overtime in a given week meet with that employee to discuss how to raise work efficiency starting the next week and share the results with the Labor Division. In this way initiatives are conducted for more highly valuing the private time of employees by reducing their overtime.

## Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

### Support for Fostering More Capable Employees

Seven & i Holdings conducts human resources development with training systems refined by Group companies to match their respective business characteristics and supports the skill development of each individual employee.



### Training Systems

For our approximately 110,000 employees working nationwide, the Seven & i Group engages in human resources development through training systems refined by Group companies to match their respective business characteristics. The Group focuses particularly on the essential task of improving the skills of store employees who interact with customers. To this end, we hold regular group training by position and also work to enhance the skills and develop the careers of individual employees, including part-time employees.

For example, at IY, new employee training is held for all employees, including part-time employees, to teach job basics and required retail skills and knowledge. Further, training is held to provide basic knowledge of products handled by affiliated division and to improve skills related to customer service and fresh food preparation. In this way, the company assists employees in continuing to upgrade their skills. Additionally, training is also held for everyone from new hires to sales floor staff, sales floor supervisors, assistant store managers, and store managers, to provide knowledge of sales floor management in stages and in line with their respective positions. Training is divided into newly appointed, post-appointment, and career development stage for each position and a training system has been established with a curriculum to match the growth of each individual employee. YB uses target setting charts to clarify the individual employee's current skills and abilities as well as skills to be acquired and training targets between individual employees and their managers. The target setting charts include detailed items necessary for job performance, such as customer service, sales area management, ordering, and food preparation techniques, with the skills and abilities of the employee assessed on a six-step scale from 0 to 5. In the "skills version" for staff members and part-time employees, items are determined for each division depending on duties, job characteristics and products handled for each analysis item. There is also a "management version" for store managers, assistant store managers, customer service managers and division managers that is intended to help raise and standardize management abilities. Based on the chart, employees confirm their skill levels with their supervisors and twice a year share the progress they have made with their supervisors and establish the next set of goals. This enables them to check their own growth, helping to boost motivation.



Employees in training



## IY Training System

Position	Training content		Information sharing
Part-time employees	Training for new employees	• Merchant fundamentals, corporate fundamentals	Group training for new employees
New employees	Training for new employees	• Merchant fundamentals, corporate fundamentals	
	Customer service training	• Importance of customer service and methods	
	Service training	• Features and formats of gift products	
	Item-by-item management training	• Sales methods • Selecting and selling products	
	Divisional training	• Basic knowledge and technologies by division	
Staff	Management training	• Knowledge, techniques and management skills necessary for sales area management	
Floor managers	New manager training	• Knowledge necessary for sales area supervisors, management • Numerical analysis, personnel training	Floor manager conferences
	Management training	• Knowledge and management necessary for assistant store manager candidates	
Assistant store managers	New assistant store managers training	• Knowledge necessary for store management, management	
	Assistant store manager training	• Operational improvements in target division	
	Management training	• Knowledge necessary for senior management, management	
Store managers	New store manager training	• Basic knowledge about the company, store operation from a management perspective • Sales floor management learned from senior store managers, management	Store manager conferences

## Training Facilities

Seven & i Holdings established the Ito Training Center in Yokohama, Kanagawa Prefecture in March 2012 to support the acquisition of technical knowledge on sales, food preparation, and other areas to match business characteristics. Another function is to communicate the Group's founding spirit and nurture the next generation of human resources. The training center is equipped with meeting rooms as well as skills rooms for personnel that handle fresh fish, meat and produce (including *sozai* prepared dishes, fresh fish, sushi, processed meat, and produce) cash register practice rooms, and display practice rooms with recreated sales areas. A history room is provided to help communicate the founding spirit and corporate philosophy. There is also an accommodation facility within the training center with 65 rooms for overnight stays, including four universal design rooms that are wheelchair-ready. In the fiscal year ended February 28, 2017, 55,000 Group employees received training at the facility, bringing the total number since it was opened to over 300,000.



The Ito Training Center

➤ Further details about the Ito Training Center can be found here (Japanese Only) [📄](#)



## Open Recruitment System for Human Resources

Seven & i Holdings implements an open recruitment system for human resources that encompasses all of its operating companies. The system is designed to respect the will of each individual employee and ensure the right person is placed in the right job to fully leverage their abilities and to invigorate the organization.

Group companies have also instituted internal recruitment systems. For example, at IY, employees who have worked at the company for at least two years can become candidates for managerial positions and jobs regardless of business experience or seniority. In the fiscal year ended February 28, 2017, 174 people applied through this system and 28 were appointed to their preferred positions or jobs.

Going forward, we intend to further enhance the conditions that raise motivation and allow employees to fully demonstrate their abilities.

## Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

### Assuring Fair Assessment and Treatment of Employees

Seven & i Holdings implements various assessment systems for employees to maximize their individual abilities and ensure fair assessments free of unreasonable discrimination due to social status, birthplace, race, creed, gender, and so forth.



### Fairness Based on Self-Evaluations

The Seven & i Group has instituted a self-check program to maximize individual employee abilities and help ensure fair evaluations. Twice a year at each Group company, employees first assess their own job performance, which is then evaluated by their supervisor. After that, the employee and supervisor meet to discuss the results. This direct dialogue helps the employee to identify their own achievements, strengths, and challenges while also ensuring the transparency and fairness of evaluations. In addition, through individual meetings with supervisors, issues at the workplace related to management levels, knowledge, skills and the like are confirmed, and this leads to further career development. Since it is not a simple one-sided evaluation by the company, employees are more willing to accept the system and find it motivating. The system is helping to steadily improve operational levels.

### Employee Compensation System

IY has an employee classification system that allows employees to choose which region to work in based on their individual life plans and values. Based on this system, employees are evaluated using a qualifications system, which ranks them by job performance ability and skill, and by job responsibilities, taking into account their current duties and job assignment. In addition, individual evaluations, which are determined based on job achievement, level of contribution and other factors, are directly incorporated into salary and bonus levels.

## Selection of Various Work Styles

Seven & i Holdings' operating companies also focus on establishing systems that allow employees to choose various work styles to increase their motivation for work. For example, IY has a program enabling part-timers to choose from diverse working styles. Under this system, part-timers may elect to step up a rank after acquiring a certain level of evaluation and sales skill. There is also a program in place where part-timers designated as highest level can be hired as a monthly salaried permanent employee or contract worker. To date (as of February 28, 2017), 32 part-timers have become monthly salaried permanent employees. A large number of part-timers have also been hired on in managerial roles, such as sales floor manager. This initiative has received formal recognition as IY received the grand prize (Health, Labour and Welfare Minister's Award) at the Awards for Enterprises Promoting Part-time Workers to Play Active Roles at Work, which was established in the fiscal year ended February 29, 2016 by the Ministry of Health, Labour and Welfare.

### IY Step Up Elective System



Award ceremony (January 2016)

## Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

### Consideration for Occupational Safety and Health

Seven & i Holdings conducts a variety of initiatives for maintaining safe and comfortable working conditions and promoting the health of employees, including convening safety and health committees and promoting the Seven & i Health Declaration 2018.



### Prevention of Workplace Accidents

Seven & i Holdings convenes safety and health committees at each Group company in accordance with laws and regulations and implements improvements to the workplace environment including working conditions, as well as conducting measures to prevent workplace accidents. For example, at IY, training is conducted on the handling of knives and other implements for employees that work with fresh food products. At Seven & i Food Systems, awareness-raising posters and other campaign materials are posted at stores twice a year to bring attention to the prevention of workplace accidents. At stores where workplace accidents have occurred, interviews are conducted and the causes of the accident and specific prevention measures are shared with other stores.

Workplace Accident Data for Eight Group Companies for the Fiscal Year Ended February 28, 2017

	Seven & i Holdings	SEJ	IY	Sogo & Seibu	YB	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency	0.00	0.04	1.43	0.76	3.64	0.81	0.00	0.00
Workplace accident severity	0.00	0.00	0.03	0.01	0.01	0.02	0.00	0.00

\*No workplace accidents resulted in deaths.

## Promoting Employee Health

When employees are healthy both mentally and physically, it not only makes their own lives more fulfilling but is also a source of vitality for the Company, and makes management more efficient. Based on this understanding, Seven & i Holdings launched the "Seven & i Health Declaration 2018" in October 2014 in partnership with Seven & i Holdings Health Insurance Union. The Health Management Committee, chaired by the President of Seven & i Holdings, was established with members including human resources and labor relations supervisors and labor representatives (labor unions) at each Group company, and it is administered by the Seven & i Holdings Personnel Planning Dept., Health Management Center and Health Insurance Union. Through this promotional organization, the progress of Group company initiatives is confirmed and Group measures are planned and reviewed. The Seven & i Health Declaration 2018 establishes targets in such areas as reducing the risk of lifestyle diseases, reducing the smoking rate, raising awareness of cancers that affect women, and promoting work-life balance. The MY HEALTH WEB Health Management System, a portal website, was created as a support measure for these targets. We also hold mental health training and health-themed events, offer low-calorie, low-sodium menu items at the staff cafeteria, and provide health-related information through internal Group newsletters and other media, and help employees maintain and manage their own health.

The MY HEALTH WEB Health Management System in particular allows individuals to browse the past five years of their own diagnostic data on the Internet, and serves as a tool for checking and goal-setting on health status, and for receiving advice on how to improve health. Since it started, the program has covered approximately 60,000 employees and their family members over age 30, and has drawn attention as one of the largest of its kind in the industry.

Furthermore, Group companies have taken steps to implement appropriate health and productivity management based on the Industrial Safety and Health Act by ensuring that all employees receive regular health checks and follow up on the results, as well as making sure that stress checks are implemented for everyone.

In February 2016, this initiative was highly rated and eight Group companies - Seven & i Holdings, SEJ, IY, Sogo & Seibu, YB, Seven & i Food Systems, York Mart, and Seven Card Services - were recognized in the 2017 Certified Health and Productivity Management Organization White 500 held by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



2017 Certified Health and Productivity Management Organization Certificate

## Seven & i Health Declaration 2018

Targets	Specific Targets to Be Achieved by March 31, 2018			
1. Maintain appropriate bodyweight and reduce lifestyle diseases	Ratio of People with a BMI over 25			
		FY2016 Seven & i Group	FY2015 National average (20 years and older)*	March 31, 2018 Seven & i Group Target
	Male	35.5%	29.5%	28% or less
	Female	25.6%	19.2%	18% or less
2. Reduce smoking rate	Overall Employee Smoking Rate			
		FY2016 Seven & i Group	FY2015 National average (20 years and older)*	March 31, 2018 Seven & i Group Target
	Overall	30.2% (Male employees: 41.2%, female employees: 22.6%)	18.2% (Male employees: 30.1%, female employees: 7.9%)	24% or less
3. Raise awareness of women's cancers	Increase employees receiving breast cancer exams			
4. Raise employee vitality (mental health)	<ul style="list-style-type: none"> <li>• Increase employee knowledge of mental health related issues</li> <li>• Help employees with mental health issues recover their health</li> </ul>			
5. Promote work-life balance	<ul style="list-style-type: none"> <li>• Reduce overtime and make working hours amenable to health and work-life balance</li> <li>• Encourage employees to take days off and vacation time for health promotion and reinvigoration</li> </ul>			

\*Source: Ministry of Health, Labor and Welfare 2014 "Health and Nutrition Survey" result.

\*BMI and smoking data are totals for 22 Group companies participating in the Seven & i Holdings Health Insurance Society



Providing healthy menu items at the employee cafeteria

## Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

### Employee Opinion Survey

Seven & i Holdings conducts an anonymous survey of employees once every two years on topics such as working conditions and compliance awareness.



### Employee Opinion Survey

The employee opinion survey asks questions about penetration of the corporate philosophy, employee satisfaction levels in terms of job satisfaction and growth and development through work, supervisors' management, and the workplace environment. In the fiscal year ended February 29, 2016, the survey was administered to approximately 44,000 employees at 28 companies in Japan, and approximately 39,000 people responded.

### Example of Employee Opinion Survey Questions

- To what degree to do you feel satisfied with my work
- To what degree to do you perform your work in accordance with laws and regulations and rules
- To what degree does your supervisor manage the work load of team members appropriately
- To what degree do you think that the Company conducts environmentally considerate business activities?

### Promoting Improvement Activities

After the survey, human resources and CSR division personnel from Group companies met to analyze their companies' survey results and held special meetings to identify issues and consider and propose improvement measures. Based on advice from outside consultants and discussions among meeting attendees, individual company problems were identified through in-depth analysis of underlying causes, and proposals were made for issues and improvement measures. The proposals were reported back to the management teams at each Group company along with the survey results, and the companies are now individually promoting initiatives to execute the improvement measures.

To help promote improvement activities for each Group company, a Work Satisfaction Improvement Committee meeting is held regularly for sharing each company's progress and on improvement measures and issues. Representatives from each company gather according to their business format to share the implementation status and results of their measures for spreading the corporate philosophy and understanding of compliance, reducing long working hours, and increasing job satisfaction. This provides impetus for solving issues and helps spread best practices among other Group companies.



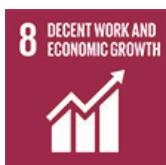
Work Satisfaction Improvement Committee.



## Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

### Sound Labor–Management Relations

Seven & i Holdings respects workers' rights such as the freedom of association, the right to organize and collective bargaining. In the Seven & i Group Corporate Action Guidelines, we have established the following principle: "The Company respects workers' rights, such as the right to organize, based on international norms and efforts to further improve the work environment."



### Respect for Freedom of Association and Collective Bargaining

At Seven & i Holdings, the Group's 11\* labor unions form the Federation of Seven & i Group Labor Unions, which as of June 2017 has approximately 63,000 members. The federation carries out a variety of activities for union members based on the thinking that "no water can be drawn from a dry well." It also coordinates activities by holding discussions on organizational management, labor conditions and other issues pertaining to union members.

The member unions autonomously create their own independent organizations, and then they coordinate and join together for common causes. They complement one another's strengths and also work to improve shared labor conditions on a unified basis, which further reinforces both the individual unions and the federation itself. This is the basic approach through which activities are conducted. Seven & i Holdings and the labor unions work through numerous active discussions between labor and management to improve issues related to labor conditions and employees' workplace environments.

For example, at Ito-Yokado, the compensation system and labor conditions for union members and employees are discussed, and consultations between management and labor are considered valuable for solving issues and improving productivity. Promotion of recent workstyle improvements is an example of collaboration between management and labor, and Ito-Yokado is taking steps to ensure that work rules are understood by everyone, promote the use of holidays and paid leave, improve the labor environment, and achieve a good work-life balance.

\* The 11 companies are Ito-Yokado, York-Benimaru, York Mart, SHELL GARDEN, Marudai, Sanei, Sogo & Seibu, Seven & i Food Systems, Akachan Honpo, THE LOFT and Life Foods.

## Material Issue 4 Supporting the Active Role of Women, Youth and Seniors across the Group and in Society

### Support for Childcare

With the trend toward nuclear families, there are often fewer people parents can easily turn to with questions about raising their children. In light of this, Seven & i Holdings offers various types of assistance related to childcare through its stores.



### Maternity and Childcare Counseling Service

Ito-Yokado and Sogo & Seibu provide maternity and childcare consultation offices (at 120 stores as of February 28, 2017) and Pre-Mama Stations (at 6 stores as of February 28, 2017). Here, public health nurses and midwives give counseling free of charge to pregnant women on their health and to mothers on childcare. They also provide rest areas equipped with booths for breast-feeding, hot-water, and toilets for children.



Childcare consultation office

#### Number of Ito-Yokado Childcare Consultations (Users)

FY2013	FY2014	FY2015	FY2016
247,422	235,017	237,336	246,060

## Childcare Support Events

Ito-Yokado holds a range of events to provide childcare advice and encourage parents to interact and socialize, starting with free maternity and childcare consultation offices staffed by licensed specialists. The company also actively takes part in events with universities, municipalities and product manufacturers to maintain and promote the health of mothers, offer techniques for relaxation and rejuvenation and provide helpful childcare-related information. The overarching theme of the events is “enjoyment at home through public-private-academic partnerships,” and through these events, we are helping to expand community childcare support networks.



A childcare support event sponsored by public-private-academic partnership

## Supporting Career Education

To support career education at elementary, junior high, high schools, and universities, the Seven & i Group cooperates with requests from schools by sending out employees to each school, by providing workplace tours, and by holding workplace experience programs at its Group stores, where children have the chance to take part in running a familiar retail store. For example, York Mart provides an opportunity to observe the food processing operations and to practice stocking the shelves in the store with products. Approximately 7,000 elementary and junior high school students participate each year. Seven & i Food Systems holds workplace experience programs where students can try working as the manager of a restaurant or learn about the importance of ingredients control and hospitality through actual experience. The program was attended by students from 104 schools in the fiscal year ended February 28, 2017. The Seven & i Group training facility, Ito Training Center, provides sales space creation and food processing experiences, as well as opportunities to provide service from various customer perspectives, such as helping customers in wheelchairs and so forth. Through these experiences, the students can feel the value of working and the joy of interacting with customers.

Furthermore, Seven-Eleven Japan has a store in Shinagawa Student City, which has been run jointly by the City of Shinagawa and Junior Achievement Japan since 2003. The concept of Shinagawa Student City is to create a virtual town inside an elementary school, with various companies setting up shops and providing experience of working and society. The children working in the 7-Eleven store experience customer service, sales space creation, and other operations to learn about the systems of society. In the fiscal year ended February 28, 2017, 1,791 elementary school students staffed our store and learned about the joys and challenges of working through customer service and retail sales.



Learning about cash registers through hands-on experience at Ito Training Center



Shinagawa Student City

## Outreach Classes for Company–School Exchange

Seven-Eleven Japan held an outreach class at Suginami Dainana Elementary School in March 2017 as a part of the Yomiuri Education Network, which seeks to increase interactions between companies and schools.

The class involves a game in which 7-Eleven stores are established in fictitious towns on a map. Through the game, the students come to understand in a fun way the roles that 7-Eleven plays in society. At the same time, they learn about some of the changes taking place in Japanese society, including the aging population, declining birthrate, women's advancement in society, and decreasing number of retail stores. The class provides a good opportunity for students to think about their society from the everyday perspective of a convenience store.



Outreach class in progress

## Picture Book Storytelling Sessions

Seven Bank supports the publication of “Bonolon, Warrior of the Forest,” a picture book that parents can read to their children to foster communication. The bank also distributes picture books free of charge and holds storytelling sessions. Storytelling sessions are also held at Denny's restaurants, which are managed by Seven & i Food Systems.



Storytelling session led by employee volunteers

## Support for Dietary Education

The Seven & i Group promotes dietary education activities for children to raise people who understand foods through various experiences and can practice a sound, healthy diet.

For example, Seven & i Food Systems distributes a booklet called “Bonolon and Food” at its chain of Denny’s restaurants. The booklet contains important information about food manners and knowledge and teaches children about the correct eating habits using games and quizzes.



©NSP 2005, © Together with Bonolon, 2007  
Free dietary education booklet “Bonolon and Food”

## Donating Shoes to Children in Zambia

Sogo & Seibu works with the Japanese Organization for International Cooperation in Family Planning (JOICFP)\* on a project for sending shoes to children in Zambia. The company has established areas for accepting donated children’s shoes in all of its stores. The shoes they receive from customers help to prevent tetanus and parasitic infections resulting from foot injuries to children with bare feet. They are sent through JOICFP to children in Zambia. As of February 28, 2017, Sogo & Seibu had sent about 670,000 pairs of shoes since 2009.

\* JOICFP is an international cooperation NGO that was started in Japan to protect the health and lives of women and children in the developing world.





## Cooperation with the White Ribbon Campaign

Akachan Honpo and Sogo & Seibu have been providing sponsorship for the White Ribbon Campaign launched by JOICFP to protect the health of pregnant women and babies throughout the world. The Group companies have been working in partnership with JOICFP on the Community Safe Motherhood Project (which involves the donation of funds to establish Maternity Waiting Houses in Zambia). Besides accepting donations on behalf of JOICFP through its stores and online, the two companies have also installed 62 White Ribbon Campaign Vending Machines at locations throughout Japan (Akachan Honpo 41 machines, Sogo & Seibu 21 machines) as of February 28, 2017. For every beverage purchased from one of these machines, the companies donate ¥2 to JOICFP (¥1 from the beverage manufacturer and ¥1 from the store where the machine is installed). In addition, Sogo & Seibu has created a White Ribbon pin badge for sale, from which all proceeds are donated to the White Ribbon Campaign.



A White Ribbon beverage vending machine



A White Ribbon pin badge

## Material Issues 5 Building an Ethical Society and Improving Resource Sustainability Together with Customers and Business Partners

### Approach to Material Issue

In the course of supplying a vast amount of products and services, Seven & i Holdings believes that the Group has an important role to play in providing socially and environmental responsible products and services, thereby helping to build an ethical\* society.

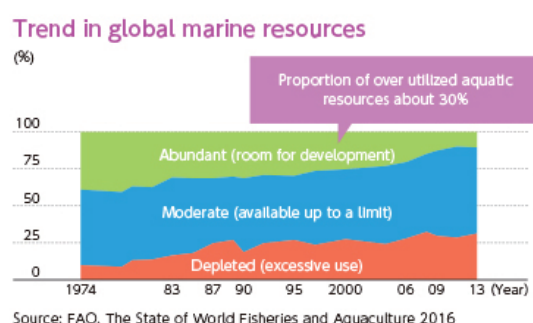
In every process from procuring raw materials for products to delivering products to customers, Seven & i Holdings believes that it must supply valuable products that not only comply with laws and regulations, but also show consideration for society and the environment. This will contribute to improving the sustainability of resources and is crucial to enhancing the strength of supply chains and ensuring business continuity. Moreover, awareness of ethical consumption has been increasing among customers in recent years. Addressing this awareness will also help to strengthen Seven & i Holdings' competitiveness. For these reasons, we will advance initiatives targeting the entire supply chain, including business partners.

\* The word "ethical," in addition to its conventional meaning, has been increasingly associated with environmental preservation and social contribution in recent years.

### Background to Material Issue

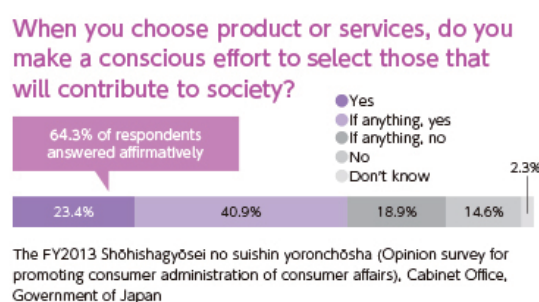
#### Decline and Depletion of Fisheries Resources

Amid increasing consumption of seafood in recent years, activities such as overfishing and environmentally destructive resource usage have taken place. As a result, sound marine resources have been steadily declining, while an increasing number of resources face the risk of depletion. Among familiar seafood items in Japan, Pacific Bluefin tuna and Japanese eel are endangered species in danger of extinction.



#### Heightened Interest in the Social and Environmental Impact of Supply Chains

Against the backdrop of a multitude of social issues around the world, an increasing number of consumers are seeking to purchase goods produced through fair business practices. With this heightened awareness of ethical consumption, it has become crucial to build sustainable business models across the entire supply chain.





## Promotional Framework for Material Issues

The entire Group is working to address this material issue, with specific measures being examined and formulated by the following committees and subcommittees. The CSR Management Committee, which is headed by the president, and its subordinate Consumer Affairs and Fair Business Practices Subcommittee, examine the themes of “Fair and impartial business practices” and “Addressing the social and environmental impacts of the supply chain.” The Environment Subcommittee addresses themes related to product procurement and business partners, including the “Depletion of natural resources” and the “Loss of biodiversity.” These activities are supervised by the Seven and i Holdings executive officer in charge of Corporate Communication.

## Contribution to SDGs

By addressing this material issue, Seven & i Holdings will achieve sustainable food production and consumption patterns through the entire supply chain, and will contribute to achieving Sustainable Development Goals 2, 4, 12 and 14.



## Seven & i Holdings' Initiatives

### Strengthening the Business Partner Action Guidelines

We are strengthening the implementation of the Business Partner Action Guidelines in order to provide customers with safe and reliable products and to fulfill our societal responsibilities in cooperation with our suppliers on matters such as human rights, labor issues, and the environment.

[➤ More](#)

### Sustainable Forest Conservation Activities

We are conducting the Seven Forest project to contribute to the prevention of global warming and conservation of biodiversity.

[➤ More](#)

### Sustainable Procurement of Raw Materials

We have formulated the Basic Policy on Sustainable Procurement to ensure sustainable use of natural resources for future generations and we are taking action in collaboration with various stakeholders.

[➤ More](#)

### Promotion of Ethical Consumption

It is vital for our business development to create business models that help to realize a sustainable society through the supply of products friendly to people, society, and the global environment. At the same time, we are taking steps to supply products and services that are in line with ethical consumption in response to a recent increase in public interest.

[➤ More](#)

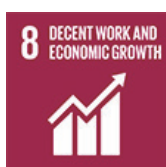
## Material Issues 5 Building an Ethical Society and Improving Resource Sustainability Together with Customers and Business Partners

### Strengthening Implementation of the Business Partner Action Guidelines

Seven & i Holdings is strengthening implementation of the Business Partner Action Guidelines to provide customers with safe, reliable products and fulfill its societal responsibilities in cooperation with business partners on matters such as human rights, labor issues and the environment.

### Ensure Implementation of Business Partner Action Guidelines

Seven & i Holdings formulated the Seven & i Holdings Business Partner Action Guidelines in 2007, and revised them in April 2017 to form the Seven & i Group Business Partner Action Guidelines (the “Guidelines”), which all business partners are requested to understand and observe. The Guidelines are designed to guarantee the safety and quality of the Group’s products and services and to promote consideration for legal and regulatory compliance, environmental conservation and labor conditions throughout the supply chain so that we can fulfil our corporate social responsibility together with our business partners. The Guidelines are communicated to business partners of Group companies through various meetings.



### Seven & i Group Business Partner Action Guidelines (Excerpt)

1. Legal Compliance
2. Respect for Human Rights
3. Human Resources and Workplace Environment
4. Preservation of Global Environment
5. Relationship with Local and International Communities
6. Information Management
7. Product Safety Assurance
8. Fair Business Practices
9. Protection of Intellectual Property
10. Management of Import and Export Transactions
11. Extension to Supply Chains
12. Monitoring



At a briefing for business partners on the Business Partner Action Guidelines

➤ Details of the Seven & i Group Business Partner Action Guidelines can be found [here](#)

## Compliance with the Guidelines through the Self Check Sheet

To ensure that business partners understand the Guidelines and to assist with effective CSR initiatives, the Seven & i Group administers a self-check sheet for business partners, explaining all of the specific requirements of the Guidelines.

In drafting the check sheet, we referred to sources such as the ISO 26000 standard, the Japanese Business Federation's Charter of Corporate Behavior, and the OECD Guidelines for Multinational Enterprises. Business partners asked to submit the check sheet annually include manufacturers of the Group's universal strategic private-brand products Seven Premium and 7-Eleven original daily product manufacturers, as well as distribution centers and IY's direct import suppliers overseas. We administer these check sheets to ascertain the status of our business partners' CSR activities.

In the check sheets, the respondents answer 61 questions, including whether there are any breaches in compliance, whether a consulting desk is available to plant workers, whether a business partner requests that its own suppliers comply with the Guidelines, and whether the formation of labor unions is permitted. The check sheet also asks business partners to confirm the CSR-related certifications (SA8000, BCSI, SMETA, ICS, ICTI, WRAP, EICC) that its factories have obtained.

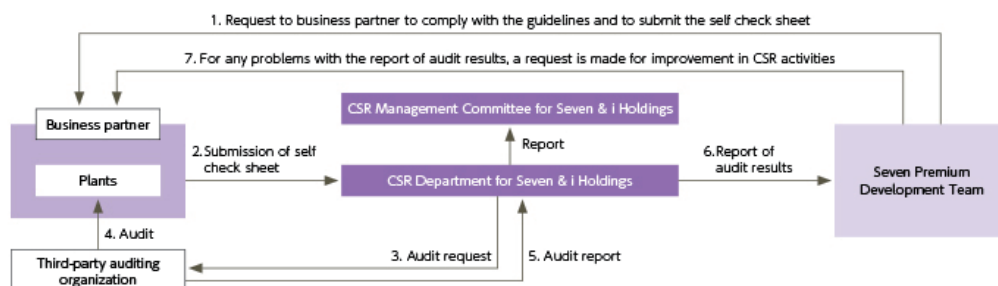
Responses to this check sheet are entered into a database, and buyers determine whether or not to continue doing business with a business partner based partly on the business partner's level of engagement in CSR, which is shown in the database.

## Self Check Sheet Items (Excerpt)

1. Legal Compliance
2. Respect for Human Rights and Dignity
3. Human Resources and Workplace Environment
4. Preservation of Global Environment
5. Relationship with Local and International Communities
6. Information Management
7. Product Safety Assurance
8. Fair Business Practices
9. Monitoring

(Questions about whether a business partner has prepared documentation and implementation records that prove compliance with the Guidelines.)

## The Flow of Business Partner Action Guidelines: Seven Premium as an example



## Conducting Business Partners' CSR Audits

Since the fiscal year ended February 28, 2013, Seven & i Holdings has conducted CSR audits to determine the status of compliance with the Guidelines at a selection of factories of the business partners we have asked to submit self check sheets. The CSR audits are performed annually, mainly targeting factories of business partners producing private-brand products in developing countries.

The CSR audit is performed by an external third-party auditing organization based on our independently established CSR audit program (about 114 items in 16 categories.) The CSR audit items are based on the content of ISO 26000, and the audit examines whether a factory complies with the principles laid out in the Guidelines in the following 16 categories. These categories are aligned with the international labor standards established by the International Labour Organization (ILO).

### CSR Audit Category (16 Categories)

#### ■ 1. Implementation of Management System and Rules

- Organizations must implement and maintain a system in compliance with all items of the Seven & i Group Business Partner Action Guidelines
- To the extent feasible, organizations should extend the Guidelines to their own supply chains.
- Organizations must monitor and comply with the relevant laws and regulations, as well as international treaties and so forth.

#### ■ 2. Forced Labor

- There must be no forced, bonded or coerced prison labor.
- Employers must not force workers to make a financial deposit or submit their identification documents. After giving adequate notice, workers may resign freely as they wish.
- National and regional laws pertaining to forced labor are recognized.

#### ■ 3. Freedom of Association

- Workers have the right to establish or join labor unions of their own choosing without being subject to discrimination, and hold the right to collective bargaining.
- Local laws and workers' rights concerning freedom of association are recognized.

#### ■ 4. Health and Safety

- Safety protection measures must be applied to equipment and machinery and preventive maintenance must be undertaken.
- Chemicals must be handled and stored appropriately.
- All necessary protective equipment must be purchased and regularly replaced.

#### ■ 5. Child Labor and Young Underage Workers

- Children must not be put to work.
- Young workers under the age of 18 must not be put to work at night, or in a hazardous environment. This work includes tasks using chemical substances, work near such substances, or work where there is hazardous machinery, heavy labor, or excessive noise. Night shifts and work for long hours are also included.

#### ■ 6. Wages

- Overtime allowances must be paid at the required statutory ratio.
- All allowances and benefits must be provided to workers as required by law.

#### ■ 7. Working Time

- Workers must not be habitually required to work over 48 hours per week. On average, workers must be given a rest period of one day every 7 days. Overtime must be voluntary and must not exceed 12 hours per week. Overtime must not be habitually requested and additional fees must always be paid.

#### ■ 8. Discrimination

- Discrimination in the course of recruitment, remuneration, provision of training, pay raises, dismissal and retirement is prohibited with respect to race, class, nationality, religion, age, disability, gender, marital status, sexual orientation, union membership, or political party affiliation.

## ■ 9. Regular Employment

- To the extent possible, operations must be executed on the basis of generally accepted employment relationships based on national laws and regulations.

## ■ 10. Subcontracting Agreements, Domestic Industry, Outsourced Processing

- Subcontracting is not permitted without the prior consent of customers.

## ■ 11. Disciplinary Action

- Physical abuse or punishment, threats of physical abuse, sexual or other forms of harassment, or verbal abuse or threats, must be prohibited.
- Disciplinary methods must be fair and effective and must not be arbitrary.
- Employers must show respect for the mental, emotional and physical health of workers in connection with the necessary disciplinary action.

## ■ 12. Environment

- Organizations must pursue continuous improvement in their environmental performance and, at the very least, comply with local requirements and international laws and regulations.
- Chemical substances prohibited by international treaties, or laws and regulations, must not be used.

## ■ 13. Fair Business Practices

- Laws and regulations related to fair business practices must be understood and complied with.

## ■ 14. Ensuring Product Safety

- Products delivered to each Seven & i operating company must comply with the quality standards requested by each relevant operating company and comply with relevant legal standards established in Japan.

## ■ 15. Security Management

- Security systems must be in place to ensure protection from access with malicious intent.

## ■ 16. Interests of Local Communities

- Relationships with anti-social forces must be rejected.

Factories are given prior notice before being visited for audits, and compliance with CSR audit items is confirmed through interviews with managers and workers. If the audit finds items that do not comply with the audit program (unacceptable items), the external audit organization provides guidance to the business partner concerned. The business partners must submit a corrective action plan (CAP) to the auditing organization within 10 days of the audit being completed, and must take immediate action to improve the items. After receiving a report on the completion of improvements for the relevant items, the completion of improvements is confirmed based on the submission of photos showing the improvements, guarantee documents and other materials. However, in cases that exceed certain standards, such as when numerous serious unacceptable items are found, the resolution of issues is confirmed by revisiting the factory to perform a re-audit.

When the unacceptable items are remedied or the auditing organization and Seven & i Holdings judge that the content of the CAP to be satisfactory, a Compliance Certificate is issued to the relevant business partner.



Compliance certificate

## Audit Results for the Fiscal Year Ended February 28, 2017

In the fiscal year ended February 28, 2017, CSR audits were conducted at 270 factories in 13 countries, including China, Vietnam, Thailand, Indonesia, Cambodia and Myanmar. The average compliance rate across all audited factories was 90%, with re-audits at 28 factories. The majority of items for improvement were due to insufficient recognition or misinterpretation of items required under local laws and regulations, and mainly involved labor environment, safety and hygiene, and approvals and authorizations. After their audits, each factory provided a CAP, photos showing the improvements and guarantee documents, and re-audits were carried out, enabling us to confirm that improvements were successfully made.

## Examples of Cases Requiring Re-audits in the Fiscal Year Ended February 28, 2017

(All problem items have now been remedied)

- Non-notification of long work hours or hours in excess of legal limits
- Incorrect handling and storage of hazardous chemicals
- Operation and driving of machinery without a license
- Non-performance of environmental assessment
- Use of an unlicensed waste disposal contractor

	Number of factories for audit	Number audited	Re-audit rate	Number of factories for re-audit
FY2012	374	17	5.9%	1
FY2013		29	20.7%	6
FY2014		256	11.3%	29
FY2015	322	322	9.6%	31
FY2016	270	270	10.7%	29
FY2017 target	211	211	5.0%	10

## Material Issue 5 Building an Ethical Society and Improving Resource Sustainability Together with Customers and Business Partners

### Sustainable Forest Conservation Activities

Seven & i Holdings participates in Seven Forest creation activities to contribute to the prevention of global warming and conservation of biological diversity.



### Seven Forest Creation Activities

Seven & i Holdings participates in Seven Forest creation activities run by the Seven-Eleven Foundation at 17 locations across Japan to help prevent global warming and contribute to the maintenance and conservation of biodiversity.

The Seven Forest creation concept is a forest nurturing project that includes tree planting, undergrowth clearing, and forest thinning. Japan implements a cycle for planting, nurturing and harvesting trees and then replanting new ones. It takes decades to nurture a tree, during which time people systematically carry out forest conservation activities to protect forests. Trees create water that is rich in minerals and by releasing it into rivers and oceans, they protect biodiversity and help to prevent global warming.

Seven Forest creation activities are carried out by employee volunteers from 7-Eleven franchised stores and Group companies under collaboration agreements with forestry cooperatives, NPOs and others throughout Japan. In the fiscal year ended February 28, 2017, activities were held 23 times and a total of 1,571 people participated.

Another forestry issue in Japan is the need to encourage greater use of wood materials collected from forest thinning activities. Wood material collected from Seven Forest is used within the Group for store materials and office supplies, as well as commercialization to promote use of national resources.

➤ [For details about Seven Forest \(Japanese only\)](#)



Seven Forest

### Overview of Seven Forest Creation Activities



### Seven-Eleven Foundation

The Seven-Eleven Foundation was established in 1993 for 7-Eleven stores and the Head Office to work together as one on environmentally themed CSR activities. Using money collected from in-store donation boxes and donations from the Head Office, the foundation engages in projects related to environmental citizenship activity support, conservation, and disaster reconstruction assistance. In the fiscal year ended February 28, 2017, in-store donations totaled around ¥440 million and around ¥180 million was used to give grants to 304 environmental citizenship grant projects (including ongoing projects), which support environmental activities by local residents.

➤ [Seven-Eleven Foundation website \(Japanese only\)](#)



## Material Issue 5 Building an Ethical Society and Improving Resource Sustainability Together with Customers and Business Partners

### Sustainable Procurement of Raw Materials

To ensure sustainable use of natural resources across future generations, Seven & i Holdings formulated the Basic Policy on Sustainable Procurement and has been promoting initiatives in collaboration with various stakeholders.



### Products Certified by the Aquaculture Stewardship Council (ASC Certification)

Ito-Yokado has joined a project advanced by the Tokura Office of the Miyagi Prefecture Fisheries Cooperative's Shizugawa Branch to restore and achieve a sustainable marine industry in terms of economic and other aspects in tandem with protecting the bountiful marine environment. In October 2016, Ito-Yokado commenced the sale for the first time in Japan of farmed oysters that have obtained Aquaculture Stewardship Council (ASC) certification, an international certification system for environmentally and socially responsible aquaculture businesses. The farmed oysters were grown by the cooperative.



Farmed oysters with ASC certification

## Handling of Alaska Seafood Products

Seven & i Group stores sell Alaska Seafood products, which are sourced through environmentally friendly, sustainable fishing practices. In Alaska, the source region of the brand's all-natural marine products, Alaska Seafood carries out sustainable fishing by strictly managing resources and fisheries to ensure that the ecosystem that nurtures these natural marine resources is not impaired. In the fiscal year ended February 28, 2017, Seven-Eleven Japan launched POP displays for its Seven Premium private brand Benizake no Shioyake (salt-grilled sockeye salmon) in June to promote the features of Alaska Seafood, such as "natural" and "environmentally considerate" to customers. Meanwhile, in July 2016, Sogo & Seibu started holding Alaska Seafood introduction and sales events. Furthermore, at the Seven & i Group Head Office building, staff cafeteria operator Seven & i Food Systems is providing set meals using Alaska Seafood products. Employees distribute leaflets and set up POP displays and so forth to encourage Group employees to consider sustainable fisheries.



Seven Premium Benizake no Shioyaki

\* The main fisheries of Alaska are certified fisheries of the Alaska Responsible Fisheries Management Certification Program, the world's first program to be recognized by the Global Sustainable Seafood Initiative (GSSI) through an evaluation based on certain standards.

▶ [Alaska Seafood \(Alaska Seafood Marketing Institute\) website](#)

## Procurement of Organic Products

In response to rising consumer interest in product safety and reliability in recent years, Seven & i Holdings started selling 100% Organic Cotton Innerwear products for women under the Seven Premium private brand in December 2015. These products are sold at around 210 Ito-Yokado and York Benimaru stores throughout Japan and the Group's integrated portal website, omni 7. The cotton used as raw materials in these products is only organic cotton that meets Organic Content Standards (OCS). Apart from these products, Seven & i Group companies also sell items such as organic cotton towels and apparel, as well as organic coffee and loose leaf tea.

\* Organic Content Standards (OCS) is an organic certification body that evaluates and verifies organic material content claims on products based on the OE Blended Standard established by the Organic Exchange, a U.S.-based non-profit business organization.



Seven Premium 100% Organic Cotton Innerwear

## Handling of Low-Agrichemical Products

Ito-Yokado and York Benimaru sell private brand products that use fewer agrichemicals than the statutory limits. Examples include the Fresh Vegetables with Traceability and Fresh Fruits with Traceability private brand products sold at Ito-Yokado. Although these products are not completely organic, they are grown with fewer agrichemicals, and assure traceability of the growing region and growing history. Sales of these products in the fiscal year ended February 28, 2017 were approximately ¥22.2 billion.

The methods and frequency of use of agricultural chemicals vary by region and crop. The Fresh Vegetables with Traceability category and certain other products comprise foods grown with the goal of applying agrichemicals with half or lower of the usual frequency of each growing area (the average number of applications for each crop stipulated by local government organizations and other public bodies).

In addition, at our Seven Farms, which are engaged in agricultural operations, and under our Fresh Vegetables with Traceability and Fresh Fruits with Traceability brands, we aim to ensure safe agricultural produce, correct farm management, and so forth, and have acquired Japan Good Agricultural Practice (JGAP) certification. JGAP is an agricultural production management method recommended by the Ministry of Agriculture, Forestry and Fisheries of Japan. It provides a set of standards to be followed in daily farm management to increase food safety and ensure environmental conservation. Since JGAP includes standards relating to “food safety” and “environmentally sustainable agriculture,” these products use the minimum necessary level of agricultural chemicals.



Fresh Vegetables with Traceability

## Five Promises of Fresh Vegetables with Traceability and Fresh Fruits with Traceability

1. Stores only stock domestically grown agricultural products.
2. Producers who properly grow vegetables on suitable land are carefully selected from all over Japan.
3. Products are delivered to customers under the name of each individual producer.
4. Discerning techniques and personalities are introduced on the website and on sales floors.
5. Agrichemical reduction targets are set and continuous checks are performed.

## JGAP Guidelines

### ■ Food Safety

- Management of soil, water and propagation materials
- Fertilizer management
- Agricultural management
- Hygiene management during harvesting and transport
- Produce handling

### ■ Environmentally Sustainable Agriculture

- Water conservation
- Soil conservation
- Consideration for surrounding lands
- Waste management, reduction and recycling
- Energy efficiency
- Environmental awareness and biodiversity

## Use of FSC-Certified Paper

Seven & i Holdings is promoting use of paper with FSC certification, an international certification system that promotes preservation of forest environments. In March 2017, we started using FSC-certified paper for paper board boxes in our Seven Premium private brand. As of July 31, 2017, FSC-certified paper is used for 44 items including ice cream containers.

At Seven-Eleven Japan in the fiscal year ended February 28, 2017, we switched to FSC-certified paper for the display stands for selling SEVEN CAFÉ bakery items.

Meanwhile, at Seven Bank, cash envelopes at ATMs and the Bonolon, Warrior of the Forest magazine are made using FSC-certified paper.

## Material Issue 5 Building an Ethical Society and Improving Resource Sustainability Together with Customers and Business Partners

### Promotion of Ethical Consumption

Seven & i Holdings will create a business model that contributes to the development of a sustainable society through the provision of products that are considerate of people, society, and the global environment. We consider this to be an essential aspect of business development. In particular, we will strive to provide products and services that are compatible with “ethical consumption,” which has been drawing attention in recent years.

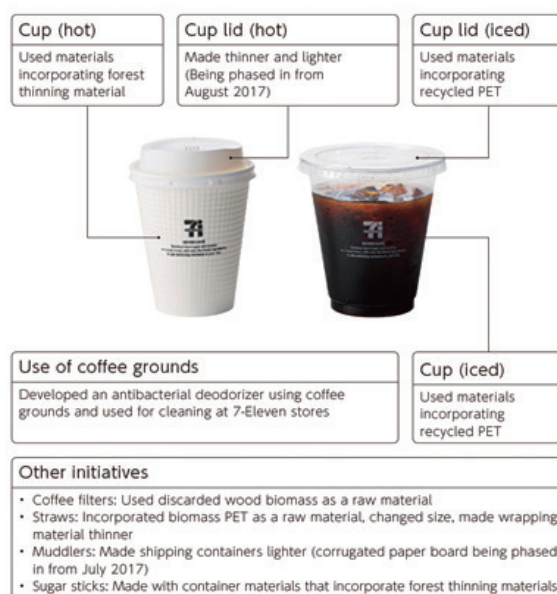


### Environmentally Friendly SEVEN CAFÉ

SEVEN CAFÉ brand products are sold at Seven & i Group stores, mainly 7-Eleven. In the fiscal year ending February 28, 2018, we expect to sell 1 billion beverages. Many customers support SEVEN CAFÉ, which is promoting environmental considerations in various ways. For example, forest thinning material is used for the outer sleeves for hot beverages. Cups for iced beverages use a compound material that includes recycled PET. We are also working to cut down our use of limited resources, for example by making cups lighter and thinner.

In the fiscal year ending February 28, 2018, we have developed an antibacterial deodorizer that uses recycled coffee grounds collected from some of our stores. The new product is being used for cleaning at 7-Eleven stores.

#### Overview of Initiative



Environmentally Friendly SEVEN CAFÉ

## Sales of Rice Cultivated while Protecting the Environment and Biodiversity

Ito-Yokado sells a rice series that not only uses fewer agrichemicals and chemical fertilizers, but also encourages “biodiversified farming,” in which rice fields also service as wildlife habitats. Part of the sales are donated for environmental improvements. In the fiscal year ended February 28, 2017, sales of Koshihikari Rice Nurturing White Storks provided approximately ¥60,000 for nurturing oriental white storks, while sales of Sado, Niigata Prefecture-Produced Koshihikari Rice Certified by the Creating Villages Coexisting with Crested Ibis Program provided approximately ¥160,000 to the Fund for the Improved Habitat for the Japanese Crested Ibis.



Rice cultivated while protecting the environment and biodiversity

## Green Wrapping

Sogo & Seibu is promoting the use of “green wrapping,” for customers when they order gifts. This involves the purchase of a wrapping ribbon with a leaf-shaped mascot for an additional price of ¥100, of which ¥50 is donated to tree planting and growing activities. In this way, the giver can also provide the recipient a chance to think about the environment. One tree is planted for every 80 ribbons sold. In addition, customers purchasing ochuugen and oseibo (summer and winter) gifts who agree to simple packaging also contribute to tree planting, with one tree planted for every 4,000 gifts that use the simple packaging option. (Between 2009 and February 28, 2017, 10,451 trees were planted).



Green Wrapping



Employees carefully plant seedlings provided by the kindness of customers

## Animal Testing and Welfare

Seven & i Holdings sells the Botanical Force series of skin care products jointly developed with FANCL CORPORATION under the Seven Lifestyle private brand of cosmetics at 7-Eleven, Sogo & Seibu (certain stores), and other outlets. These products have been developed without any use of animal testing—their safety has been confirmed by collecting information from raw material manufacturers and other documents and through safety checks made using cultured cells and human volunteers.



Botanical Force series

## Introducing Ethical Fashion

Sogo & Seibu held the ethical fashion event “Enjoy Ethical” at the Sogo Yokohama store in May 2017.

In addition, bags made by single mothers in Uganda, Africa using unique African print fabrics were sold at a limited time event at five Sogo & Seibu stores. The event provided customers an opportunity to encounter ethical fashion while enjoying fashion and contributing to society.



Sale of bags made by Ugandan women



## Social Contribution Activities

The Seven & i Group fulfills its responsibilities as a member of many local communities by fostering coordination and cooperation with each community. At the same time, the Group supports society overall by contributing to community development and the creation of prosperous living environments through its businesses, in conjunction with making appropriate donations in consideration of the benefits to society and the general public.

In social contribution activities, the CSR Department promotes activities in coordination with relevant departments in each Group company under the leadership of the Executive Officer in charge of Corporate Communication of Seven & i Holdings.

### Social Contribution Activities Costs (Fiscal Year Ended February 28, 2017)

The social contribution activities provided by the Seven & i Group in the fiscal year ended February 28, 2017, including the provision of financial assistance or the donation of goods, and the personnel costs of employees involved in these activities, amounted to approximately ¥1.6 billion when converted into monetary terms. Of this total, cash donations were approximately ¥0.3 billion.

#### Social contribution activities costs in the fiscal year ended February 28, 2017

(Thousands of yen)

Category	Amount
Administration cost	1,157,548
Personnel costs of employees participating in activities during work hours	92,458
Cash donations	308,680
Cost of providing access to company facilities	27,007
Donation of goods	4,292

#### Social contribution activities costs in the fiscal year ended February 28, 2017



\* Total for Seven & i Holdings, Seven-Eleven Japan, Ito-Yokado, Sogo & Seibu, York-Benimaru, Seven & i Food Systems, Seven Bank, York Mart, and Akachan Honpo. Calculated based on Fiscal 2011 Key Points Regarding the Implementation of CSR Activity Surveys (Keidanren (Japan Business Federation)). However, political contributions are excluded.

## Effect Measurement Method

Seven & i Holdings seeks to mitigate the environmental impact associated with its business activities and to contribute to making a better society through those activities. When selecting external partners for activities, we always ensure that they have a philosophy that is compatible with our own, and that they have sufficient specialist expertise.

We measure the effect of our social contribution activities based on five perspectives. Moreover, we plan to revise our measurement methods in the future to enable an even more accurate measurement of the inputs for an activity, the respective outputs for the Company and society after the activity, and the final impacts on the Company and society, respectively.



Effect Measurement Method	Detail
1. Verification of the Social Contribution Activity Cost Over One Year	The activity cost is verified by type and format of activity.
2. Verification with KPIs	<p>The effect of the initiatives is measured numerically against established key performance indicators (KPIs). For example, we conduct “shopping support” services to assist seniors (Seven– Meal, Net Supermarket, mobile store service, etc.) The effect of these activities is verified by using the number of stores involved, the number of operational vehicles, the amount of sales and other metrics as KPIs. In addition to these numbers, we also reflect feedback from service users in our planning for the following fiscal year.</p> <p>➤ <a href="#">Further details about shopping support can be found here</a></p>
3. Dialogue with Organizations We Support	We confirm the results of activities reported by NPOs and other organizations to whom we give financial assistance. We verify the effects of activities based on reported information such as the number of beneficiaries and the positive impact on them, as well as direct feedback obtained through dialogue with the assisted organizations. We also refer to these reports and feedback when deciding on the next round of recipients and projects that we will assist.
4. Survey of Employees Who Participate in Activities	We conduct questionnaire surveys of employees who participated as volunteers in activities we have planned, asking them about their level of satisfaction with the activity and points for improvement. The results are used to measure the effect of the activity and in planning our next activities.
5. Survey of Employees Overall	<p>Every second year we conduct an Employee Opinion Survey of a sample of employees from 28 Group companies. (Certain companies conduct sampling surveys.) Through the results of the survey, we confirm employees’ awareness of their own companies. The results are used in our verification of the activities for two years, and for formulating plans for the next period.</p> <p>■ <b>Sample question:</b></p> <p>I believe my company:</p> <ul style="list-style-type: none"> <li>• Builds good relationships with local communities.</li> <li>• Conducts environmentally friendly business activities.</li> <li>• Is actively engaged in social contribution activities.</li> </ul> <p>➤ <a href="#">Further details about the Employee Awareness Survey can be found here</a></p>

## Encouraging Employee Participation in Social Contribution Activities

Seven & i Holdings believes that employee participation in social contribution activities is also crucial. Based on this belief, we plan and implement activities such as opportunities to experience nature and disaster reconstruction support programs. Moreover, to encourage employee participation in volunteer activities, Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems have instituted a volunteer leave system under which employees can take five days off per year for volunteer work. At Ito-Yokado, part-time workers may also take volunteer leave.

## Placing Collection Boxes in Stores to Help Solve Social Issues

In March 2016, Ito-Yokado commenced activities to encourage customers and employees to donate funds throughout the year by placing collection boxes next to almost all of its approximately 6,000 POS registers at stores nationwide. This fund collection drive is the first of its kind to be held at a superstore chain throughout the year and is being undertaken to help solve various social issues on a revolving basis every three months.

From the 45-day period from March 2016, Ito-Yokado conducted fund collection activities with the aim of donating all of the collected proceeds to the "Fund to Support Children's Futures," which was set up as part of a national movement to address child poverty. The project was undertaken in collaboration with the National Movement to Support Children's Futures (comprising the Cabinet Office as the promoting entity, along with the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Welfare and Labour, and The Nippon Foundation). Led by the Cabinet Office and other organizations, this campaign aims to break the so-called chain of poverty.

Donations for this storefront fund collection drive collected from customers and employees totaled ¥4,010,321. The funds were delivered to Mr. Katsunobu Kato, Minister of State for Special Missions.



### Fund Collection Results for the Fiscal Year Ended February 28, 2017

(Yen)

March 1 to April 14 "Fund to Support Children's Futures"	2,777,461
April 15 to May 31 "2016 Kumamoto Earthquake Disaster"	38,224,580
June 1 to August 31 "Guide Dog Donation"	10,714,850
September 1 to November 30 "Fund to Support Girls' Education in Developing Countries"	4,308,598
(Of this, funds collected from September 5 to September 19 were donated to provide relief for Typhoon No. 10 of 2016)	1,580,689
December 1, 2016 to February 28, 2017 "Fund to Support Reconstruction after the Great East Japan Earthquake"	3,958,107
(Of this, funds collected between December 28, 2016 and January 10, 2017 were donated to provide relief from a major fire in Itoigawa City in 2016)	137,632



Donations accepted at POS registers



A prospectus is presented to Mr. Mitsuo Takekawa, Director General for Policies on Cohesive Society (former post, currently Vice-Minister for Policy Coordination) (pictured on the right).

## Support for Training Guide Dogs

Seven & i Group companies support the training of guide dogs for blind people and collect donations for this purpose at Ito-Yokado, Sogo & Seibu, and York Mart stores.

Sogo & Seibu has placed permanent dog-shaped fund collection boxes at all stores to encourage customers to support guide dog training activities. In addition to in-store donations collected from customers, Sogo & Seibu makes donations collected through the "Woof! Coin Club," which accepts monthly voluntary donations by employees, and the Sogo & Seibu Fund set up by the company and its labor union (cumulative donations from March 2003 to February 28, 2017 were ¥540.48 million). Besides fund collection activities, Sogo & Seibu also conducts awareness-raising activities for customers. All Sogo & Seibu stores conduct events twice a year in the spring and autumn to improve public understanding toward people with visual impairments and their guide dogs.



## Overseas Initiatives

### Business Operations in North America

Seven & i Holdings operates convenience stores in North America.

#### 7-Eleven, Inc.



Net sales : ¥2,735,199 million (Total store sales)  
Number of stores : 8,707

[> More](#)

#### SEVEN-ELEVEN HAWAII, INC



Net sales : ¥29,370 million  
Number of stores : 63

[> More](#)

\* Exchange rate \$1 = ¥108.78

\* Number of stores as of December 31, 2016

### Initiatives in China

Seven & i Holdings operates convenience stores and superstores in China.

### Convenience Store Business

[> More](#)

#### SEVEN-ELEVEN (BEIJING)



Net sales: ¥20,871 million  
Number of stores: 219  
Established: January 2004

#### SEVEN-ELEVEN (TIANJIN)



Net sales: ¥4,551 million  
Number of stores: 82  
Established: November 2012

#### SEVEN-ELEVEN (CHENGDU)



Net sales: ¥3,435 million  
Number of stores: 67  
Established: December 2010

## Superstore Business

[➤ More](#)

### Chengdu Ito-Yokado Co., Ltd.



Net sales: ¥67,276 million

Number of stores: 6

Established: December 1996

### Hua Tang Yokado Commercial Co., Ltd.



Net sales: ¥15,869 million

Number of stores: 2

Established: September 1997

\* Exchange rate of CNY1 = ¥16.42

\* Net sales does not include value added tax

\* Number of stores as of December 31, 2016

### Reducing Environmental Impact

Reducing environmental impact is a priority issue for 7-Eleven, Inc. The company is undertaking various initiatives to increase energy efficiency and use environmentally friendly containers. In 2016, 7-Eleven, Inc. initiated a collaboration with Conservation International (CI), a well-known environmental NPO. 7-Eleven, Inc. has also formulated targets to reduce environmental impacts related to stores and containers.

#### 【Targets】

- (1) Reduce CO<sub>2</sub> emissions at stores by 20% compared with the 2015 level by 2025
- (2) Reduce CO<sub>2</sub> emissions from containers and packaging by 20% compared with the 2015 level by 2025



### Collaboration with External Organizations

In the course of formulating these targets, 7-Eleven, Inc. has joined forces with CI and begun participating in the Business & Sustainability Council, where corporate leaders select measures to achieve both business performance and a lower environmental impact. Apart from this, the company has joined the Retail Industry Leaders Association, and is participating in the Retail Sustainability Initiative, an educational forum for major retail companies in the U.S. who are members of this association. These forums provide the opportunity for members to get to know cutting-edge initiatives, and share insights into the outlook for the future and the activities of their peer companies in the industry. They also provide a collaborative platform for members and their industry peers to achieve sustainability targets.

### Promoting Energy Saving

7-Eleven, Inc. has introduced LED lighting and an energy management system (EMS) in stores, along with installing high-performance heating, ventilation, and air conditioning (HVAC) equipment, to reduce electricity consumption at stores. Introducing EMS has enabled the company to monitor, control, and optimize the performance of HVAC and refrigeration equipment, which significantly contributes to energy consumption. It also enables remote control of the equipment.

Real-time data obtained from the EMS is analyzed to reduce energy consumption and manage costs. Through these measures, 7-Eleven, Inc. has reduced electricity consumption by approximately 21% over the past 7 years.

In 2016, 7-Eleven, Inc. continued to introduce EMS. Currently, more than 5,900 stores have installed the EMS, and there has been an average annualized reduction in electricity consumption of 16,323 kWh per store. Furthermore, LED lighting has been installed at around 5,980 stores as of December 31, 2016.

### Improving Awareness of Climate Change

Climate change is a global issue facing people around the world. In order to increase interest in this issue among its employees and franchisees, 7-Eleven, Inc. presented the impacts of climate change at a nationwide conference held in 2016. In addition, 7-Eleven, Inc. held a campaign in which it handed out pedometers to all conference attendees and pledged to donate \$1 to CI for every 500 steps taken per person. A total of 16.5 million steps were recorded through this event, equating to approximately 8,000 miles (approximately 13,000 km). The campaign raised funds of around \$33,000. These funds will be put to use in CI's initiatives to communicate the importance of climate change mitigation measures to the general public.



## Global Campaign to Fight Climate Change

As a global convenience store chain operator, 7-Eleven has implemented a campaign to mitigate the effects of climate change in 10 countries around the world. The campaign was held mainly around July 11 ("7/11"), in keeping with the "Seven-Eleven" name, and was spearheaded by Seven & i Holdings Co., Ltd. It was implemented by Seven-Eleven Japan Co., Ltd., 7-Eleven, Inc., Seven-Eleven companies in China, and seven companies licensed by 7-Eleven, Inc. to operate Seven-Eleven stores in certain designated areas. During the campaign, each participating company strove to fight climate change by undertaking energy-efficiency initiatives, working to reduce plastic shopping bag usage, advancing collaboration with NGOs, and taking action to stimulate the interest of employees and customers.



## Use of Environmentally Friendly Containers and Packaging

7-Eleven, Inc. is making a concerted effort to use environmentally friendly containers and packaging. Many of its containers are made of paper and other materials with a low environmental impact. 7-Eleven, Inc. also strives to reduce the use of raw materials by selecting the right size and type of materials while ensuring product quality and safety.

### Examples of Initiatives in 2016

#### Recyclable Hot Coffee Cups

7-Eleven, Inc. has introduced a new coffee cup that keeps coffee hot without having to apply a cup sleeve (a paperboard sleeve that fits around a cup to insulate the drinker's hands from hot coffee). Unlike conventional disposable coffee cups, this new cup can be recycled because it is made of polypropylene plastic.



#### Paper Bags Made of 100% Recycled Materials

7-Eleven, Inc. has developed new paper shopping bags for stores in municipalities that prohibit merchants from giving customers plastic shopping bags. The new paper shopping bags are made of 100% recycled materials and can be recycled after use. The words "Reduce Reuse Recycle" are printed on the side of the bags to help foster environmental awareness among customers.



### PET Bottles Made of Recycled Materials

7-Eleven, Inc. has begun sales of PURE-brand mineral water under its 7-Select line of private-brand products. Recycled plastic accounts for 15% of the materials used to make the PET bottles for this product. The PET bottles can also be recycled after use.



### Number of 7-Eleven, Inc. Stores and Environmental Data Associated with Store Operations

	2014	2015	2016	2017 Target
Number of stores	8,297	8,500	8,707	9,895
Electricity consumption* <sup>1</sup> (GWh)	2,161	2,142	2,154	2,527
CO <sub>2</sub> emissions* <sup>1,2</sup> (1,000 t-CO <sub>2</sub> )	1,040	948	922	1,080
Water usage* <sup>1</sup> (1,000 m <sup>3</sup> )	9,084	8,878	9,040	12,415
Shopping bag usage (t)	3,231	2,969	2,625	2,980

\*1. Calculations are based on estimated electricity consumption for stores where data was not available.

\*2. Audited by a third party

### Sales of Sustainably Sourced Coffee

In 2016, 7-Eleven Inc. launched an exclusive Rainforest Alliance Certified Nicaragua single-origin coffee as a high-quality, environmentally friendly product. The Rain Forest Alliance is an international nonprofit organization that seeks to conserve biodiversity and ensure sustainable livelihoods. Carrying the Rainforest Alliance Certified seal means 7 Eleven stores' coffee is sourced from coffee-growers whose farms are required to meet strict standards designed to protect the environment, conserve wildlife and promote the well-being of local communities. 7-Eleven Inc. will continue to promote sustainably sourced coffee.

## Coexisting with Local Communities (U.S.)

7-Eleven, Inc. aims to uphold its responsibilities as a good corporate citizen and contribute to local communities where it has opened stores. The Head Office and franchisees work together to promote social contribution activities. The main fields for these activities are support for youth development and military personnel.

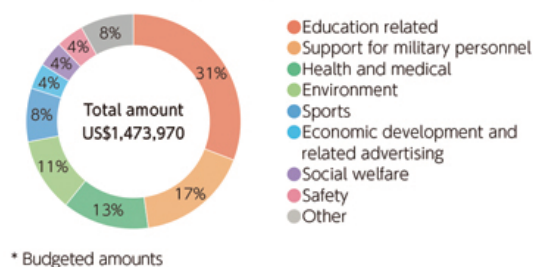
In the fiscal year ended December 31, 2016, 7-Eleven, Inc. provided assistance to over 2,000 organizations totaling more than US\$3.97 million in monetary terms through donation drives and provision of supplies implemented by customers, franchisees, employees, and Head Office. Moreover, 7-Eleven Inc. has set the following targets to strengthen its support for communities:

### 【Targets】

Aim to allocate approximately 1% of net income to social contribution activities every year, from 2017



### Budgeted cash donations in the U.S. by 7-Eleven, Inc. (2016)



## Support for Youth Development

When called to stop by the police, young people may refuse to respond to questions or try to run away, making the problem worse. Building trust between young people and the police helps to reduce crime by minors and improves their future and that of the community.

To improve the relationship between the police and youth, 7-Eleven, Inc. has been implementing “Operation Chill,” which involves distributing coupons for free Slurpee carbonated drinks to the police. The police use the vouchers to “ticket” youngsters who are caught doing good deeds. In 2016, 7-Eleven, Inc. provided over 1.28 million coupons to approximately 940 police organizations. Over 15 million coupons have been distributed since the program started in 1995. The logo for this program was redesigned in 2016 to mark the 21st year of these activities. The phrase “Encouraging Positive Behavior” is printed on the logo to communicate the purpose of this campaign.



## Support for Children's Education

Based on an appreciation of the importance of education, 7-Eleven, Inc. implements "Project A-Game" as a joint support program by franchisees and Head Office to enable children to experience worthwhile activities.

Store owners apply to Head Office for a grant to support local schools or youth sports organizations that are in need. Grants are jointly funded by local franchisees and the Head Office, and are used to provide financial assistance to enable children to continue enjoying school. This system enables franchisees to provide financial assistance to their local neighborhoods.

In the fiscal year ended December 31, 2016, funds of around US\$650,000 were donated to 1,100 recipients, and were used to support sports teams and extra-curricular activities. Since the start of the project in 2012, funds of around US\$1,575,000 have been donated to 2,850 recipients.



## Support for Pediatric Cancer Hospital

7-Eleven, Inc. has implemented a campaign to enhance public awareness and support for St. Jude Children's Research Hospital, a research and treatment center for pediatric cancer.

This hospital conducts research into treatment for children suffering from pediatric cancer and other serious diseases. The hospital pays for treatment, travel, housing and food expenses without billing families so that the families can focus solely on the recovery of their children. 7-Eleven, Inc. supports the policy of St. Jude Children's Research Hospital and donated 11 cents for every large-size Slurpee, a frozen beverage, sold from November 9, 2016 to January 3 the following year, in order to save children fighting pediatric cancer. Through this campaign, 7-Eleven, Inc. donated US\$200,000 to St. Jude's.



## Relief from Hunger

Poverty is a serious social problem in the U.S. According to the U.S. Department of Agriculture, 42.2 million Americans struggle to put enough food on the table to meet their daily needs. Among the underfed are 6.4 million children. Given that a well-balanced diet of nutritious fresh foods is particularly important for children and their health, there is strong demand for fresh foods at food bank organizations.

In 2016, 7-Eleven, Inc. implemented a campaign based on customer participation to support Feeding America, a prominent food bank organization. Under this campaign, for every \$1 donated by a customer, 7-Eleven, Inc. would provide two bananas and a donation of 10 cents to Feeding America.

Moreover, 7-Eleven, Inc. handed donation acceptance cards to customers taking part in the program, and displayed the signed cards in stores during the campaign period. During the campaign period from November 29 to December 31, 7-Eleven, Inc. collected donations of around 985,000 bananas and approximately \$49,000 from customers. This campaign is designed to provide relief from hunger during the year-end holidays, an important time for Americans. The bananas and funds were donated to 22 member organizations of Feeding America in areas served by 7-Eleven stores.



## Nurturing Female Leaders

7-Eleven, Inc. is making a concerted effort to develop female leaders within the company.

Over half of 7-Eleven, Inc.'s personnel are women, and boosting the capabilities of female employees is also essential to ensure competitiveness from the customer's perspective. In the fiscal year ended December 31, 2016, the company continued to develop female leaders through participation in two well-known organizations. As a result, three female executives of 7-Eleven, Inc. received awards in their respective fields from Convenience Store News, a publisher of information about the convenience retail industry.



### Memberships

- Network of Executive Women (NEW)

The mission of NEW is to help advance women in the consumer products manufacturing and retail industry through education, leadership and business skills development. Fifty of 7-Eleven, Inc.'s women in management positions participate in NEW programs to help them grow as professionals by, for example, networking with leaders working at industry peers. They are also able to access a host of benefits and resources, including sharing best practices, developing their leadership skills, and participating for free in learning programs.

- The Women's Foodservice Forum (WFF)

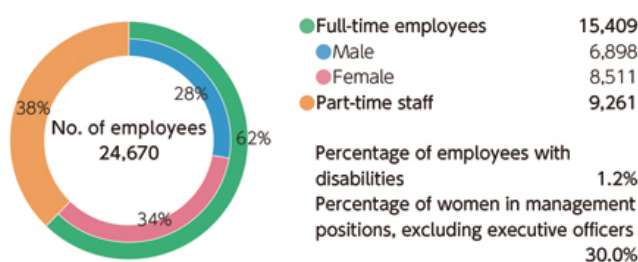
WFF is the foodservice industry's premier leadership development organization advancing women in the industry. Approximately 20 7-Eleven, Inc. female leaders participate in regional conferences, where they are able to gain access to highly effective and educational leadership programs and events, as well as networking opportunities. These opportunities enable them to gain the competence and strategic connections needed to step up their careers in the foodservice industry.



## Awards conferred by Convenience Store News in 2016

Category	Award recipients	Reasons for award
Top Women in Convenience Award 2016, Women of the Year Category	Nancy Smith, SVP, Merchandising, Fresh Food & Beverages	For her role in leading her company to success and her impact on the convenience store industry as a whole
Top Women in Convenience Award 2016, Senior-Level Leader Category	Ena Williams, SVP, International	For her strategic execution capabilities and proactive business transformation skills
Convenience Foodservice Executives of the Year Award	Kelly Buckley, Vice President, Fresh Food Innovation	For her advancement of 7-Eleven, Inc.'s overall fresh food strategy and development of innovative products

## Personnel data in the U.S. and Canada (as of December 31, 2016)



## Expanding Healthier Food Options

In response to growing health consciousness among consumers, 7-Eleven, Inc. has been devoting effort to developing a range of well-balanced and nutritious food and beverage products that can be enjoyed while on the go.

7-Eleven, Inc. offers daily products such as delicatessen items, salads with low-fat dressings, sandwiches, yoghurt parfaits with fruit and granola, fruits, and boiled eggs.

Snacking, or the dietary practice of eating simple foods in one's spare time between meals, has recently been catching on in the U.S. With this in mind, 7-Eleven, Inc. has expanded its food offerings with the introduction of 7-Select GO! Smart. These products have been developed for customers looking for better-for-you options while on the go and include great-tasting snacks and beverages, such as sprouted chips and coconut water. Products are formulated to deliver health benefits to customers and have prominent callouts on the packaging to aid customers in selecting the product that best fits their lifestyle.



## SEVEN-ELEVEN HAWAII

In March 2016, SEVEN-ELEVEN HAWAII added “Our Promise” to its set of company values in order to support its direction as a chain of “close-by, convenient stores,” to shape its corporate culture, and to further solidify its values. “Our Promise” is comprised of the following three specific values.

1. Bring a smile to the faces of customers, vendor partners, and employees
2. Work together as a team to achieve goals
3. Strive for greater heights

To promote “Our Promise,” the company started a program for recognizing exceptional employees. All employees are encouraged to nominate people they think are practicing the three values. The selected people are given a badge and a bonus and are introduced in the company newsletter and on its website.

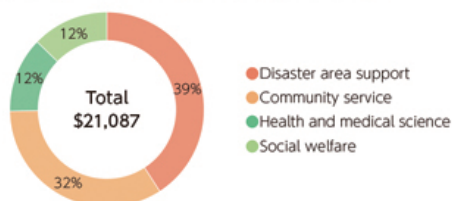
These values define SEVEN-ELEVEN HAWAII as a business for the community, for partners and for employees. The practice of Our Promise then becomes the cornerstone for the words and actions of employees.



### Thriving with Local Communities

As a good corporate citizen, SEVEN-ELEVEN HAWAII supports activities and NPOs involved with children, education, public welfare and health. In 2016, an equivalent of approximately \$40,000 in support was carried out for 58 organizations through fundraising, donations of goods, and volunteer activities on the part of SEVEN-ELEVEN HAWAII customers, member stores, employees and the company.

Amount of cash donations by  
SEVEN-ELEVEN HAWAII (FY2016)



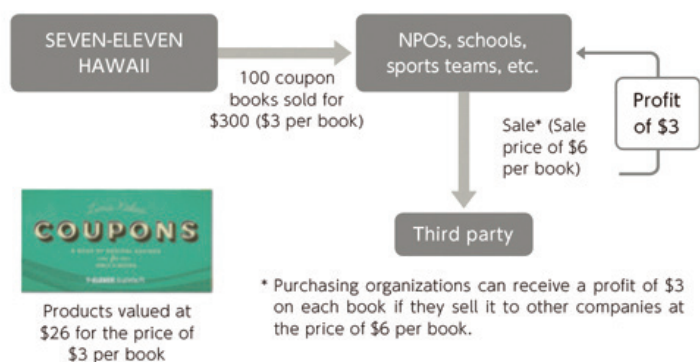


## Social Contribution through the Sale of Coupon Books

Since 2001, SEVEN-ELEVEN HAWAII has sold Lima Kokua (Helping Hands) Coupon Books to schools, sports teams, and other non-profit organizations. The organizations that purchased these coupon books, which can be used in all Hawaii stores, earn a profit by selling them to third parties. Over 65 organizations have used the system each year, and SEVEN-ELEVEN HAWAII has supported the activities of these organizations through the sale of the coupon books. In 2016, 35 organizations used the system. Many of these were repeat orders, showing that the books have been popular.



### Lima Kokua Coupon Book System



## Support for Sports Events

SEVEN-ELEVEN HAWAII held an event for children during the 2016 Christmas season. The company had children ages 5 to 12 write letters to Santa Claus telling him what they wanted and the letters were collected at all stores from November 28 to December 9. The letters collected at the stores were compiled at the headquarters, and after a selection committee reviewed all the letters, it selected those that were exemplary from the standpoint of virtue and morality. Thirty-three children were then presented with the presents they had wanted.

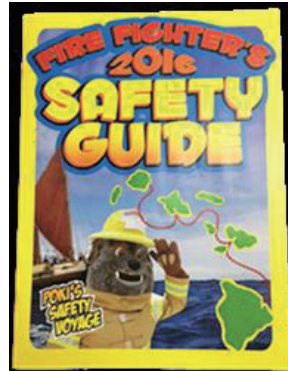
Three of the children appeared on a Hawaiian television program that features local people and events, where their letters were introduced along with their parents. The program host, presented the children with their Christmas presents on behalf of Santa and SEVEN-ELEVEN HAWAII. Of the three, there was a young philanthropist, a 10-year-old boy who had asked for a \$1,000 donation to the Laulima Giving Program, a local charity that helps families.

The event brought great joy to the winning children and their families, and especially to underprivileged families. SEVEN-ELEVEN HAWAII plans to hold the event next year as well.



## Safety Measures for Local Communities

SEVEN-ELEVEN HAWAII is involved with helping the Honolulu Fire Department distribute safety guidebooks that it issues each year. The guidebooks contain information on fire safety measures for the home and are distributed to elementary school students. In 2016, the guidebooks were passed out at schools from October 9 to October 15, which is Fire Prevention Week. Teachers, parents and the children look at the guidebooks together and are encouraged to sign the last page. As a program incentive, coupons from local companies are included inside. SEVEN-ELEVEN HAWAII provided a buy one, get one free Slurpee ticket. On average, 500 of the tickets are used each month. SEVEN-ELEVEN HAWAII intends to continue helping to save lives through this activity.



## Reducing Environmental Impact

SEVEN-ELEVEN HAWAII has been working on an initiative labeled the Energy Smart Program to reduce energy consumption since 2012. Under the program, SEVEN-ELEVEN HAWAII has carried out many kinds of initiatives. By 2015, we had established a standard temperature to be set on all store air conditioning systems, which consume the largest amount of energy, along with installing energy-efficient fan motors in the vaults and freezers and changing vault lighting to LED. To raise energy conservation awareness among employees, the company has provided them with environmental education.

As an extension of the Energy Smart Program, in 2016 all seven stores in the Hawaiian capital of Hilo worked to reduce energy consumption. At the stores, excess heat from condensers had been lowering air conditioning efficiency and putting an additional load on refrigerated display cases, Slurpee machines and other equipment. This caused unnecessary electricity consumption and necessitated repeated repairs to the equipment. To solve the problem, remote condensers were installed on the store rooftops. This prevented the heat from entering the stores and allowed for a pleasant temperature inside. Monthly electricity consumption at the seven stores was reduced on average by 592 KWh compared to the previous year (11% reduction).

As a result of this initiative, electricity consumption at all stores in 2016 was reduced by 2% compared to the previous year.





Number of SEVEN-ELEVEN HAWAII Stores and Environmental Data Associated with Store Operations

	2012	2013	2014	2015	2016
Number of stores	59	59	60	63	63
Electricity consumption (MWh)	18,079	17,848	18,246	18,399	18,097
Water consumption(thousand m <sup>3</sup> )	—	48	44	46	46

## Chinese Convenience Store Business

### Providing Safe and Reliable Products

In China, where concerns over food safety and integrity have been mounting, SEVEN-ELEVEN (BEIJING), SEVEN-ELEVEN (TIANJIN) and SEVEN-ELEVEN (CHENGDU) work to provide safe and reliable products by leveraging quality management and product development capacities cultivated in Japan.



### Quality Management Measures at Plants

For the Group's private-brand products in China, strict standards are applied in selecting ingredients, and processing plants that maintain high quality levels are selected through a screening process based on whether they have experience exporting to Japan and other criteria.

We have strengthened quality management at dedicated plants producing only the Group's products by incorporating international food safety management systems and measures implemented at plants in Japan.

Beijing Wang-Yang Foods and JEANAVICE factories, which are dedicated plants of SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (TIANJIN), obtained the "SC" food production license for chilled foods in February 2012, earlier than peer companies in the industry. "SC" is a regulatory requirement related to food production in China. Food manufacturers must acquire the "SC" license by switching from the existing "QS" food quality and safety license by October 2018.

At the JEANAVICE Factory, Chinese plant managers and quality control managers attend the HACCP<sup>\*1</sup> inspections for daily food processing plants that are implemented annually by Seven-Eleven Japan. Moreover, the manager of the quality assurance department has obtained qualification as an internal inspector for FSSC 2200<sup>\*2</sup>. At the Beijing Wang-Yang Foods Factory, measures are being implemented to obtain the HACCP 20002 qualification within 2017, with the aim of further enhancing the level of quality control.

<sup>\*1</sup> HACCP (Hazard Analysis and Critical Control Point) food sanitation management method

<sup>\*2</sup> A food safety management system certification

### Healthy Food Choices

In response to an increase in health-conscious customers, the three companies are working to develop products containing abundant vegetables and boxed lunches featuring many different ingredients. In 2016, SEVEN-ELEVEN (BEIJING) renewed its boxed lunches based on the concept of "Abundant vegetables, low calories and healthy." Concurrently, the company started displaying the calorie content of boxed lunches. All three companies sell entrée items prepared in stores. In 2016, SEVEN-ELEVEN (TIANJIN) and SEVEN-ELEVEN (CHENGDU) switched containers for entrée items prepared in stores from those that can hold two items to containers that can hold three items. SEVEN-ELEVEN (BEIJING) provides customers with the option of choosing between containers that can hold two items and those that can hold three items.

Trans-fatty acids, which are said to increase the risk of heart disease, were successfully reduced to zero in the room-temperature bread products of SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (TIANJIN).

## Improving Customer Satisfaction

The three companies are working to collect customer feedback in order to improve products and services from the standpoint of customers. Feedback obtained from customers is communicated to departments and stores on a daily basis. In addition, stores conduct customer surveys annually in order to grasp changes in customer needs and reflect them in products. In 2016, SEVEN-ELEVEN (TIANJIN) received customer survey responses from 624 people, while SEVEN-ELEVEN (CHENGDU) received responses from 2,225 people. This customer feedback was put to good use in developing and improving products.

In order to further improve the customer service provided by employees, the three companies conduct training and have also established award programs to recognize employees who have done outstanding work. We will strive to enhance motivation by presenting awards to recipients at meetings and other such forums in conjunction with striving to increase examples of best practices for employees to follow by making the award-winning activities widely known.



At a presentation of Store Owner Awards by SEVEN-ELEVEN (BEIJING)

## Thriving with Local Communities

Each company conducts social contribution activities as members of their local communities.



### Support for Children by SEVEN-ELEVEN (CHENGDU)

Since 2013, SEVEN-ELEVEN (CHENGDU) has provided support for Benevolence House, a home for children with mental disabilities. In 2016, five employees visited the facility to participate in a Christmas event and a birthday party. The employees provided entertainment, along with delivering presents to the residents and a donation of air purifiers to the facility from the company. In recognition of its continuous support activities for Benevolence House, SEVEN-ELEVEN (CHENGDU) was presented with a Certificate of Appreciation from Benevolence House in March 2016.

In addition to support for Benevolence House, SEVEN-ELEVEN (CHENGDU) also carried out other support measures for children. In order to assist children in impoverished farming areas, the company conducted a campaign to collect clothing and books from Head Office employees from December 2015 to January 2016. The company collected 52 articles of clothing and 36 books, donating them to children living in Nata Township, Baiyü County in Garzê Tibetan Autonomous Prefecture.

In recognition of the sustained social contribution activities undertaken by SEVEN-ELEVEN (CHENGDU), the company received the Annual Social Contribution Award from the Chengdu Retailers Association in April 2016.



#### Amount of donations to Benevolence House from SEVEN-ELEVEN (CHENGDU)

2014	2015	2016
1,990 yuan	800 yuan	1,937 yuan



A visit to Benevolence House



Certificate of Appreciation from Benevolence House

## Creating Fulfilling Workplaces

In continuing to expand our network of stores in China, it is essential that we hire and train local employees. The three companies are focused therefore on raising the communication abilities of employees and training them to be able to think and act with autonomy. To this end, the three companies are working to provide various training seminars and create workplaces where employees are able to demonstrate their abilities to the fullest.



### Supporting development of employee abilities

Operations Field Consultants (OFC) play an important role in connecting the Head Office with franchise store owners. They serve as store management consultants that provide multifaceted advice to franchise stores on overall management, including ordering, product lineups, and employee training. OFC candidates first gain store experience at training stores and learn the fundamentals of store management, which include the Four Basic Principles; unit control; employing, training, assigning and evaluating staff; and management indicators. After the candidates become OFCs, additional training is conducted to hone their job skills. For example, at meetings of all OFCs held each week, company policies are shared and training is conducted on how to communicate efficiently with franchise stores and other issues.



## Systems to Raise Employee Motivation

The initiatives described below are implemented to provide opportunities to raise the motivation of employees and to resolve issues they may face in the workplace. In addition, SEVEN-ELEVEN (TIANJIN) and SEVEN-ELEVEN (CHENGDU) have instituted internal hiring programs that allow employees to apply for desired positions. They are selected on the basis of interviews between the applicants and the relevant Head Office divisions, the Human Resources Department, and so forth. In 2016, three people at each company were appointed to new positions through these programs. Although SEVEN-ELEVEN (BEIJING) has not instituted a formal internal hiring program, the company grasps the desired positions of employees when conducting interviews with candidates and through other means. When the relevant departments have openings according to operational and personnel assignment needs, the company compares these conditions with the information on file for each employee, and then interviews candidates and transfers personnel that satisfy the required conditions.

### Examples of opportunities to resolve issues faced by employees and to obtain feedback from them

- Operate a contact desk so that employees can consult with the company on issues
- Interviews with employees by personnel departments
- Interviews with new employees by supervisors
- Organize employee get-togethers to promote closer interaction and socializing among employees
- Questionnaires for employees
- Share information about role models among employees by conferring awards upon talented employees



## Fair Evaluation and Remuneration

The three companies have adopted an employee evaluation system that combines monthly interview evaluations and yearly evaluations. Monthly interviews are conducted between employees and their direct supervisors to discuss the rate of progress toward their performance goals. After self-assessments are carried out by each employee, yearly interviews and evaluations are then conducted by the direct supervisor and a secondary, higher-level supervisor. Monthly evaluations are based on company, divisional and individual performance.

For managers who perform evaluations, regular training is carried out on matters such as monthly evaluation methods for subordinates and on determining pay in accordance with these evaluations. The training enables managers to obtain the correct knowledge on these matters.

## Reducing Overtime

Barring special circumstances, employees of the three companies leave their workplaces at the appointed times when their shifts end. If overtime is deemed to be necessary, employees must seek permission from their supervisors in advance. Procedures call for supervisors to manage the daily and monthly overtime hours of employees in order to prevent employees from doing unnecessary overtime.

## Promoting the Advancement of Women

In China, the labor contract laws have been designed to provide male and female employees with generous leave related to childbirth and childcare. Moreover, men and women are treated equally, and it is common practice for women to continue working after marriage. This legal system and practice of appointing managers based on ability work together to promote the appointment of women to managerial positions. In 2012, the first Chinese woman chairman was appointed at SEVEN-ELEVEN (TIANJIN). In 2013, a female vice general manager was appointed at SEVEN-ELEVEN (BEIJING), followed by another in 2014 at SEVEN-ELEVEN (CHENGDU). Appointments continued in 2016, and women currently occupy approximately half of the non-executive managerial positions at the three companies.



## Employment of People with Disabilities

In China, the statutory employment rate for people with disabilities is 1.7%. In collaboration with the Tianjin Association of Persons with Disabilities\*, each company actively recruits people with disabilities. Creating workplace environments where people with disabilities find it easy to work is a key priority. To this end, the companies discuss workplace issues with employees with disabilities and provide the necessary training based on those discussions.

\*An organization that promotes the social participation and autonomy of people with disabilities and provides education and training, while protecting the rights and interests of people with disabilities.

### Employee-Related Data (As of December 31, 2016)

	SEVEN-ELEVEN (BEIJING)	SEVEN-ELEVEN (TIANJIN)	SEVEN-ELEVEN (CHENGDU)
Full-time employees (Male and female)	603 (332•271)	228 (100•128)	310 (145•165)
Part-time staff	1,097	640	476
Number of employees	1,700	868	798
Ratio of employees with disabilities	2.0%	2.6%	3.1%
Ratio of women in management positions, excluding executives	55.2%	45.0%	57.0%

## Reducing Environmental Impact

The Chinese government has been putting great emphasis on climate change issues. In 2012, the Beijing government initiated a pilot project for an emissions credit trading scheme. Under this scheme, companies that emit more CO<sub>2</sub> emissions than their allotted emissions limit must purchase CO<sub>2</sub> emissions credits on the market in the amount of the excess emissions. The three companies are implementing measures to reduce electricity consumption, including installing LED lighting and other energy-efficient equipment, and installing curtains to prevent cool air from flowing out of walk-in refrigerators (photo on the right), along with raising the environmental awareness of employees.

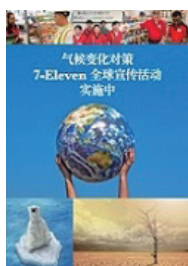


## Energy Conservation Measures at Stores

As part of the 7-Eleven Global Campaign to Fight Climate Change\*, the three companies implemented the following initiatives in 2016:

- (1) Study seminars for employees on the causes and effects of climate change and on electricity conservation measures at stores were held in June
- (2) Posters on the 7 Rules of Electricity Conservation were displayed in backrooms of stores in the week spanning July 11 (7/11), and the electricity conservation measures studied as part of item (1) above were executed in stores.

At SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (TIANJIN), electricity consumption increased in 2016 due to an increase in microwave ovens and other equipment in stores, in addition to an increase in the number of stores. In response, the two companies plan to implement various electricity conservation measures in 2017. For example, SEVEN-ELEVEN (BEIJING) plans to clean filters at all stores, along with rigorously enforcing air conditioner temperature settings. Meanwhile, SEVEN-ELEVEN (TIANJIN) plans to convert all lighting in franchised stores and the lighting in all heated display cases to LED lights.



### Store Environmental Data SEVEN-ELEVEN (BEIJING)

	2013	2014	2015	2016
Number of stores	150	175	187	219
Electricity consumption (MWh)	19,648	19,366	18,122	24,856
Water usage (1,000 m <sup>3</sup> )	69	73	75	96

### SEVEN-ELEVEN (TIANJIN)

	2013	2014	2015	2016
Number of stores	56	60	70	82
Electricity consumption (MWh)	8,472	6,164	5,278	7,027
Water usage (1,000 m <sup>3</sup> )	21	20	18	24

### SEVEN-ELEVEN (CHENGDU)

	2014	2015	2016
Number of stores	66	60	67
Electricity consumption (MWh)	7,319	7,746	6,031
Water usage (1,000 m <sup>3</sup> )	28	24	18

## Environmental Measures at Dedicated Plants

In order to avoid wasting resources, efforts are being made at the Beijing Wang-Yang Foods and JEANAVICE factories, both of which are dedicated plants of SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (TIANJIN), to utilize unneeded food materials generated by each plant. The Beijing Wang-Yang Foods Factory reuses unneeded food as feedstock for a pig farm, whereas the JEANAVICE Factory has a nursery collect residual bread under contract. Both plants use wastewater treatment facilities that clean water to the same or higher standard than government standards to ensure that polluted water is not discharged. The JEANAVICE Factory has wrapped insulation materials around the exterior of its boiler. Doing so has increased the combustion efficiency of the boiler. As a result, natural gas consumption in 2016 was reduced by approximately 20% compared with the previous year.

Promotion of CSR Activities

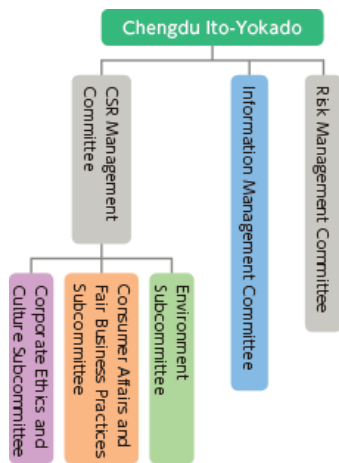


CSR Promotion Structure

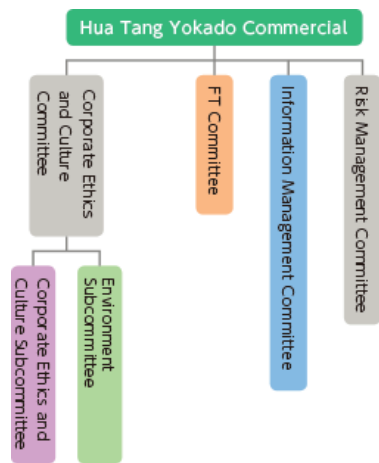
In recent years, public demand for companies to take a progressive stance on CSR has been rising sharply in China. Under the policies of the Chinese government, CSR implementation guidelines and assessment benchmarks have been formulated, and CSR assessment rankings have been published. Since 2013, Chengdu Ito-Yokado and Hua Tang Yokado Commercial have been taking steps to create structures for promoting CSR more comprehensively and holding committee meetings.

The Corporate Culture and Ethics Subcommittee of Chengdu Ito-Yokado established a correspondence course that enables employees to acquire operational knowledge and technical awareness to ensure correct corporate behavior. Hua Tang Yokado Commercial’s Corporate Culture and Ethics Subcommittee works to ensure that all employees are aware of the Corporate Creed and Corporate Action Guidelines. The subcommittee worked to ensure that when employees’ contracts were cancelled due to store closures, the contract cancellations were mutually agreed, keeping in mind the importance of dealing sincerely with people. The Environmental Subcommittees at both Chengdu Ito-Yokado and Hua Tang Yokado Commercial aim to save electricity and water, and have advanced discussions towards energy-conscious store operations. The Consumer Affairs and Fair Business Practices Subcommittee works to promote provision of safe and reliable products and services, which helps to make them even better.

CSR Promotion Structure of Chengdu Ito-Yokado



CSR Promotion Structure of Hua Tang Yokado Commercial



## Publication of CSR Reports

In July 2016, Chengdu Ito-Yokado published its first CSR Report, covering its social and environmental activities. In the course of preparing the report, the company referred to the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 3.0) developed by the Chinese Academy of Social Sciences and the international Sustainability Reporting Guidelines (G4) of the Global Reporting Initiative (GRI). There is a comparison table for the two guidelines at the back of the report. The CSR report for the fiscal year ended February 28, 2017 was published in August 2017, with plans to distribute it to attendees at the Sichuan Province CSR reporting meeting and at meetings for the general public.



## Promise to Customers



### Quality and Freshness Management

Amid a rise in public interest in safety and reliability of food, we provide products using quality and freshness management expertise developed in Japan. Sales staff, product departments and quality management divisions receive education on safety laws and regulations, production and processing standards, hygiene standards, and other aspects. Around 710 employees of Chengdu Ito-Yokado and Hua Tang Yokado Commercial have been made aware of safety and quality management. Chengdu Ito-Yokado employees each receive a copy of the “Standard Operation Manual” to establish a unified standard for production and processes. While improving quality on one hand, a representative from Head Office regularly visits stores to check that they are providing products that meet our standards. Annual third-party audits are also conducted. We also visit our business partners farms and factories regularly to see that they are meeting our standards for facilities and equipment, hygiene and production management, inspection systems, individual hygiene, and legal and regulatory CSR. In the fiscal year ended February 28, 2017, Chengdu Ito-Yokado audited its business partners 64 times, and Hua Tang Yokado Commercial audited its business partners 6 times.

## Provision of Traceability Information

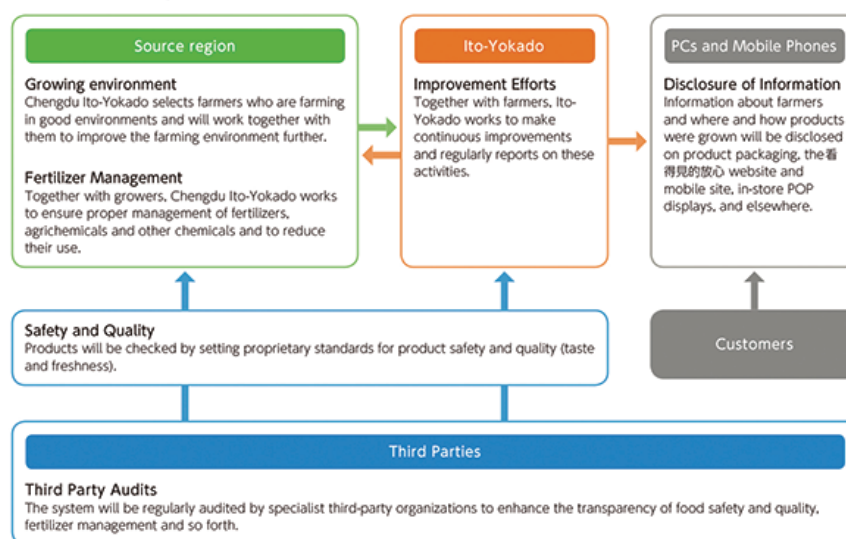
In the fiscal year ended February 28, 2014, Chengdu Ito-Yokado launched sales of “看得見的放心” food products, which are based on the same concept as the Fresh Foods with Traceability products launched in Japan. Consumers can scan a QR code on these products to confirm on a dedicated website who the farmers are and where and how the products were grown. In the fiscal year ending February 28, 2017, the 看得見的放心 product range was increased further to around 110 lines. These products have proven popular with customers who have a particularly strong interest in food safety and reliability, including customers with children and expectant mothers.

In the fiscal year ended February 28, 2015, Hua Tang Yokado Commercial started selling organic foods in cooperation with farmers by establishing rigorous food safety management systems and drawing up annual cultivation plans. Furthermore, the company also provides “放心肉項目” meat products, for which customers are able to use consoles installed in sales areas to confirm the meat producer. This system was set up based on instructions from the Beijing Municipal Commission of Commerce. The safe meat project further strengthened traceability in the fiscal year ended February 28, 2017 with the introduction of a third-party supervision system for quality management by local authorities.



Development of 看得見的放心

### 看得見的放心 System



## Quality Supervision System and Meetings with Customers

Since the fiscal year ended 28, 2009, Chengdu Ito-Yokado appointed 10 customers at each store to act as a quality supervision officers to help improve its products and stores from the perspective of the customers who actually shop there. The quality supervision officers meet at each store once a quarter to give their opinions, and are encouraged to make proposals on matters that they have noticed at any time. The opinions of the quality supervision officers led to the introduction of China's popular WeChat Pay and Alipay smartphone app payment systems. Customers have been able to use these since September 2016.

In addition to quality supervision officers, we asked for cooperation from 80 customers and received 219 opinions. Based on these, we reviewed product volumes and took other steps to provide even better products.

Other efforts included making home visits to 600 customers living in our stores' neighborhoods to ask their opinions. In March, June, and September we conducted customer satisfaction surveys, asking for opinions from 6,000 customers.

Chengdu Ito-Yokado and Hua Tang Yokado Commercial also collect opinions via the Internet, telephones, opinion boxes, and in-store conversations. In the fiscal year ended February 28, 2017, Chengdu Ito-Yokado received 10,401 opinions and Hua Tang Yokado Commercial received 69,293 thanks to proactive efforts by store employees to create a system for gathering opinions. We value customers opinions and we are establishing systems to create stores that reflect their wishes.



Salmon tasting event at the 双楠 store



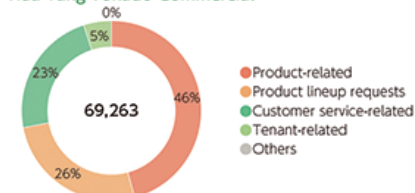
Sandwich tasting event at the 锦华 store

### Breakdown of Customer Feedback

#### Chengdu Ito-Yokado



#### Hua Tang Yokado Commercial





## Promise to the Local Community



### Donations

Chengdu Ito-Yokado is involved in providing educational support and in supporting households in poverty, among others. The company makes annual donations to Sichuan University, and as of 2016 it has made 19 donations that have supported 530 students. In the fiscal year ended February 28, 2017, the company donated ¥330,000 to Japanese language students of Sichuan University and ¥1,200,000 to 30 outstanding students. Moreover, prior to Children's Day, the company donated ¥160,000 to each of six Ito Friendship Elementary Schools to assist with activity expenses for Children's Day. The company also held summer camp events over two days and one night in which children enjoyed the experience of managing a store for a day and visiting a museum.

This year, the company donated breakfast to 蒲江成雅友愛 Elementary Schools Friendship Elementary School to help foster the habit of eating breakfast among the many local elementary school students who do not eat breakfast. The donation was intended to assist the development of the children and included supplies such as milk, eggs, and jam, as well as cash, with a total value of ¥1,060,000.

In other efforts, the stores make seasonal visits to local households experiencing poverty, people with disabilities, and elderly people living alone, giving them presents of living essentials. In the fiscal year ended February 28, 2017 the company donated a total of ¥6.11 million through these social contribution activities.

※\*CNY 1 = ¥16.76



Donations for Outstanding Students



Participants in the summer camp event

### Volunteer Activities

Chengdu Ito-Yokado visited local households experiencing poverty and elderly people living alone to give them presents of living essentials on the Spring Festival, the Dragon Boat Festival, the Mid-Autumn Festival, and the Double Ninth Festival. We also designate the third week of every month as Environmental Protection Week, during which employees at every store clean up the areas around the stores.

Hua Tang Yokado Commercial conducts cleanup activities every day, with employees striving to lead neighborhood beautification efforts.



## Promise to Employees



### Store Management by Local Employees

Since opening our first stores in China, we have been actively appointing local employees with the aim of developing stores that are deeply tied to local communities. At Chengdu Ito-Yokado and Hua Tang Yokado Commercial, Chinese store managers have been appointed. The ratio of Chinese employees in management positions, excluding executives, is close to 90%, with 86.3% at Chengdu Ito-Yokado and 88.6% at Hua Tang Yokado Commercial.

In addition, we have been making progress on the appointment of women in China. The ratio of women in management positions, excluding executives, was 54.7% at Chengdu Ito-Yokado, with female store managers at two out of the six stores, and 57.1% at Hua Tang Yokado Commercial, with a female store manager at one of its two stores.

#### Employee Data (As of December 31, 2016)

	Chengdu Ito-Yokado	Hua Tang Yokado Commercial
No. of employees	3,520	426
Part-time employees	269	6
Full-time employee turnover (%)	24.0%	4.9%
Ratio of Chinese employees in management positions (%)	86.3%	88.6%
Ratio of women in management positions (%)	54.7%	57.1%
Number of employees with disabilities	56	13

### Human Resources Development

Training programs have been enhanced to boost the motivation of local employees and enable them to demonstrate their abilities to the fullest. At Chengdu Ito-Yokado, we developed correspondence programs for enhancing employees' primary qualification capabilities and their workplace operation skills in 2016. These courses have been developed to nurture human resources with "three capabilities" (the ability to move forward, the ability to think things through thoroughly, and the ability to work as part of a team). The programs are provided to all store employees, including management. This has enabled them to acquire operational knowledge and skills by correspondence.

Furthermore, practical skills training sessions are open for all employees to observe if they wish, even if they are not undertaking training, and they are able to learn directly from the lecturer. We also hold an operational skills contest and award the winners to encourage employees to improve through friendly competition. At Hua Tang Yokado Commercial, awards are presented for employee of the month each month, as well as for department of the month to motivate employees. Furthermore, five employees from each store are commended and awarded as "service stars" for providing service at or above a certain standard. The recipients may be full time, part time, or tenant store employees.



Operation skills contest (Chengdu Ito-Yokado)

## CSR Education

Chengdu Ito-Yokado invites lecturers with knowledge about CSR to workshops for identifying corporate social responsibility and issues to be addressed moving forward.

Hua Tang Yokado Commercial analyzes customer feedback to identify issues and decides on a course of action through general management meetings and meetings for reflecting on issues, mainly with store management and the Head Office Product Division. Making reference to the Corporate Creed and the corporate code of conduct, we continue striving to ensure that employees remain aware of these issues and observe conduct guidelines to uphold the public's trust in the company.

## Self-Recommendation System

In the fiscal year ended February 29, 2016, Chengdu Ito-Yokado began operating a Self-Recommendation System as a show of respect for the autonomy of employees and to provide an outlet for their motivation. The system is for employees who have worked for the company for at least one year, and allows them to put themselves forward as candidates for the jobs they seek. Applicants who pass assessments are assigned to their desired workplace after a training period. In the fiscal year ended February 28, 2017, 59 people were assigned to their desired workplace out of 29 applicants.

## Promise Regarding the Environment



## Initiatives to Reduce Greenhouse Gas Emissions

Concern over air pollution and other environmental problems is growing in China, and with the progress on the Paris Agreement, the government is also strengthening regulations. Chengdu Ito-Yokado and Hua Tang Yokado Commercial are working to reduce their environmental impact through measures such as installing energy-efficient equipment. Under an agreement with the city of Chengdu, Chengdu Ito-Yokado was required to reduce energy consumption by 780 standard coal tons in the fiscal year ended February 28, 2017, and achieved the target with a reduction of 902 standard coal tons. New stores were fitted with the latest, highly efficient refrigeration systems, and we invested in energy saving equipment. In the back rooms, we strove to avoid wasting energy, and worked to save water through measure such allowing items to defrost naturally rather than using running water. At Hua Tang Yokado Commercial, we established an energy-saving target with the city of Beijing, aiming to reduce energy usage by 356.2 standard coal tons in the fiscal year ended February 28, 2017. We reduced energy usage by 921.9 standard coal tons, meeting the target. We also participated in an assessment of our execution on promises related to CO<sub>2</sub> emissions credits and target transactions. In 2016, our CO<sub>2</sub> emissions target was 16,384 tons, against which our actual emissions were 13,204 tons, achieving the target. Hua Tang Yokado Commercial works to reduce its environmental load by concentrating products centrally before sorting them for each store and delivering them. By continuously operating this scheme, the company contributes to reducing CO<sub>2</sub> emissions by reducing the number of delivery vehicles, easing urban traffic congestion, and preventing noise and atmospheric pollution.

### Chengdu Ito-Yokado

	2014	2015	2016
Number of stores	6	6	6
Energy consumption (standard coal tons)	9,503	9,886	8,984
Electricity consumption (MWh)	75,197	78,582	83,110
Gas usage (1,000 m <sup>3</sup> )	198	200	620
Water usage (1,000m <sup>3</sup> )	808	747	828

## Hua Tang Yokado Commercial

	2014	2015	2016
Number of stores	6	5	2
Energy consumption (standard coal tons)	7,465	4,340	3,418
Electricity consumption (MWh)	41,738	24,765	19,255
Gas usage (1,000m <sup>3</sup> )	812	448	4,489
Water usage (1,000m <sup>3</sup> )	309	177	130

## Award History (FY2017)

Chengdu Ito-Yokado and Hua Tang Yokado Commercial received the following awards in the fiscal year ended February 28, 2017, in recognition of its various initiatives.

Chengdu Ito-Yokado	“Sichuan Top 10 Economic Leaders” award (Chairman Tomohiro Saegusa)	Huaxi City Daily
	“2016 Sichuan Industry Leaders Top 10”	Huaxi City Daily
	“Fiscal 2016 Sichuan Innovative Manager” award (Chairman Tomohiro Saegusa)	Chengdu Economic Daily
	“National Fashion Tri-Cities Fashion Industrial Zone Commerce and Industry Leader” award	Toutiao
	Fiscal 2016 Retailer Best 10: Award for Contribution to Differentiated Experience-Based Sales Areas and Areas that Facilitate Purchasing Annual Public Benefit Contribution Award	Chengdu Retailers' Association
	Chinese Commercial Brand Best 10	China Retailer's Association China Business Herald
	“Chengdu City May Day Award”	Chengdu City General Labor Union
	“2015-2016 China Retail Person of the Fiscal Year Special Prize” (Chairman Tomohiro Saegusa)	China Retail Federation
	Fiscal 2016 Tax Payment Grand Prize	Wuhou District CPC Committee of Chengdu, Wuhou District People's Government of Chengdu
	“Closest to Consumers” Award (Jinhua Store)	Chengdu Business Council
	017 Chengdu Chinese New Year Shopping Season Award: Most Suited to Chengdu, Most Stylish, Most Suited to New Year, Closest to Consumers, Sales Floor with the Most Product Explanations	Chengdu Business Council
	2Fiscal 2016 “Top 10 Tax Payments by Modern Commercial Trading Field”	State Taxation Bureau of Wuhou District
	Shopping Fair “Favorite Sales Area” (High-tech Store)	Chengdu Business Council
	2016 Contribution Prize	Sichuan Trade Council
	Model Store for Safe and Reliable Consumption (Jianshe Road Store)	Chengdu Administration for Industry and Commerce
Hua Tang Yokado Commercial	2016 Leading Companies with Safest Production Systems	Chaoyang District Xiaoguan Subdistrict

## Awards and Recognition by Outside Parties

### Major Awards and Recognition in the Fiscal Year Ended February 28, 2017

Recognition or award name	Award sponsor	Reasons for recognition	Recipient
“JDMC Fiscal 2016 Data Management Award” Grand Prize	Japan Data Management Consortium (JDMC)	Recognized for providing a model for other companies in data management activities both present and into the future.	Seven & i Holdings
2017 Certified Health and Productivity Management Organization	Ministry of Economy, Trade and Industry Nippon Kenko Kaigi	Designated as a company that considers employee health and productivity management from a management perspective and takes strategic action.	Seven & i Holdings Seven-Eleven Japan Ito-Yokado Sogo & Seibu York Benimaru Seven & i Food Systems York Mark Seven Card Service
Third rank “L-Boshi” Designation as a gender-advanced company based on the Act on the Promotion of Women’s Participation and Advancement in the Workplace	Ministry of Health, Labour and Welfare	Recognized for achieving the designation standard in all five evaluation categories: recruitment, career continuation, work style factors such as working hours, management ratio, and diversity of career paths.	Seven & i Holdings Ito-Yokado Nissen Holdings
Second rank “L-Boshi” Designation as a gender-advanced company based on the Act on the Promotion of Women’s Participation and Advancement in the Workplace			Seven & i Food Systems
Placed No. 2 overall in the “100 Best Companies Where Women Play Active Parts”	Nikkei Inc. <i>Nikkei WOMAN</i>	Recognized for track record of appointing women, along with efforts to change the mindset of women and revise systems and to change the mindset of men and management personnel, with the goal of raising the ratio of women in management positions to 30% or more by 2020.	Seven & i Holdings
Outstanding Performance Prize, 20th Environmental Communication Awards	Ministry of the Environment Global Environmental Forum	Recognized for taking distinctive initiatives on the environment, then collating the data at the end and disclosing a large amount of information.	Seven & i Holdings
The First Nihon Service Award Spring Award Prize for Excellence	Service Productivity & Innovation for Growth (SPRING)	Recognized for easy accessibility to anyone and high level of convenience offered through the service provided to people who cannot easily prepare daily meals, such as the elderly, working people, business offices, and so forth.	Seven-Eleven Japan Seven Meal Services

Recognition or award name	Award sponsor	Reasons for recognition	Recipient
Fiscal 2016 Kyoto Prefectural Governor's Award for Nurturing Healthy Youth	Kyoto Prefecture	Recognized for accepting over 200 junior high school students for work experience programs each year at 44 stores in Kyoto Prefecture, and continuing this initiative.	Seven-Eleven Japan (Hyogo and Keiji zone)
The 52nd National Blood Donation Promotion Campaign Minister of Health, Labour and Welfare Award	Ministry of Health, Labour and Welfare	Recognized for cooperating with blood donation drives since 1970, assisting with popularization activities and recent active promotion of 400 ml donations in addition to blood donation activities in 21 prefectures.	Ito-Yokado
Supply Chain Innovation Award	The Council for the Collaboration between the Manufacturing, Distribution and Sales Sectors (Supported by Ministry of Economy, Trade and Industry)	Recognized for outstanding industry-leading initiatives to optimize the overall supply chain for Ito-Yokado in an effort to reduce the number of product returns and streamline delivery.	Ito-Yokado
Fiscal 2016 Special Award for Example of Excellent Dementia Support Activities	The National Caravan-Mate Coordinating Committee	Recognized for providing detailed care, shopping support, and other services at stores in accordance with the local situation. The company's efforts to work in coordination with local government and residents were judged to be effective for a second consecutive year.	Ito-Yokado
20th Environmental Management Survey 2017 1st place in the Retail and Restaurant Category	Nikkei Inc.	Recognized for excellence not only in systems for promoting environmental management and global warming countermeasures, but also for pollution countermeasures and response to biodiversity, and resource recycling.	Sogo & Seibu
HDI Rating Award 2016 Three Stars	HDI-HDI-Japan (Help Desk Institute)	Recognized for being "cheerful and friendly" and for providing a "sense of confidence" in the support provided at the enquiry contact desk in a customer-perspective survey based on HDI's international standards.	Seven Bank
KIDS DESIGN AWARD 2016	KIDS DESIGN ASSOCIATION	A baby bather made for easy use by fathers and a bra that enables easy breastfeeding were recognized as designs that facilitate having and raising children.	AKACHAN HONPO
2016 Store Brand Achievement Award	<i>Store Brands</i> magazine	Recognized for setting long-term targets of a 25% reduction in the electricity usage at stores and Head Office and the environmental burden of packaging by 2025 (compared with 2015).	7-Eleven, Inc.

➤ Further information about the award history of the China superstore business can be found [here](#).



## Inclusion in socially responsible investing (SRI) Indices (As of September 30, 2017)

Seven & i Holdings has been selected as a component of the following SRI indexes.

### MEMBER OF Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

Dow Jones Sustainability  
Index: Member of DJSI  
Asia-Pacific.

The Dow Jones Sustainability World Index was launched in 1999 as the first global sustainability benchmark. It is offered by RobecoSAM and S&P Dow Jones Indices. The series tracks the stock performance of the world's leading companies in terms of economic, environmental and social perspectives. Seven & i Holdings has been selected as a component of the DJSI Asia Pacific index, which focuses on the Asia-Pacific region.

➤ [Further details about the Dow Jones Sustainability Index can be found here](#)



FTSE4Good

FTSE4Good

The FTSE4Good Index is created by global index provider FTSE Russell. The index is designed to measure the performance of companies demonstrating strong environmental, social and governance (ESG) practices. The FTSE4Good Index is widely used for creating and evaluating responsible investment funds and other financial instruments. Seven & i Holdings has been selected as a component stock of the index.

➤ [Further details about the FTSE4Good Index can be found here](#)



FTSE Blossom  
Japan

FTSE Blossom Japan Index

The FTSE Blossom Japan Index is created by global index provider FTSE Russell. The index is designed measure the performance of Japanese companies demonstrating strong environmental, social and governance (ESG) practices. The FTSE Blossom Japan Index is widely used for creating and evaluating sustainable investment funds and other financial instruments. Seven & i Holdings has been selected as a component stock of the index.

➤ [Further details about the FTSE Blossom Japan Index can be found here](#)



2017 Constituent  
MSCI ESG  
Leaders Indexes

MSCI ESG Select Leaders  
Indexes

The MSCI ESG Leaders Index is free float-adjusted market capitalization weighted index targeting companies that have the highest environmental, social and governance (ESG) rated performance. Seven & i Holdings is a constituent stock of these indexes.

➤ [Further details about MSCI ESG Select Leaders Indexes can be found here](#)

Seven & i Holdings is included in the MSCI indexes and use of the MSCI logo, trademark, service mark or index name is not an endorsement, recommendation, or promotion of Seven & i Holdings by MSCI or its affiliates. The MSCI Indexes are the exclusive property of MSCI. The names and logos of MSCI and the MSCI Indexes are trademarks or service marks of MSCI or its affiliates.



Morningstar Socially  
Responsible Investment  
Index

MS-SRI (Morning Star Socially Responsible Investing Index) is Japan's first domestic SRI stock price index, created by Morningstar Inc. and comprised of 150 companies listed in Japan, which are selected for the superior social responsibility. Seven & i Holdings has also been selected as a component stock of this index.

➤ [Further details about the MS-SRI can be found here\(Japanese Only\)](#)



Nadeshiko Brand

The Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange have been jointly undertaking the Nadeshiko Brand initiative for the purpose of selecting and publicizing 1-3 listed companies from each industry that actively encourage women's success in the workplace. Seven & i Holdings was selected as a Nadeshiko Brand 2017 in March 2017.

➤ [Further details about Nadeshiko Brand can be found here\(Japanese Only\)](#)



# GREENHOUSE GAS EMISSIONS VERIFICATION STATEMENT

To: Seven & i Holdings Co., Ltd.



Bureau Veritas Japan Co., Ltd.  
System Certification Services Headquarters

Bureau Veritas Japan Co., Ltd. (Bureau Veritas) was engaged by Seven & i Holdings Co., Ltd. (Seven & i) to conduct independent verification of the greenhouse gas (GHG) emissions reported by Seven & i in its CSR Report 2017.

## 1. Scope of Verification

Seven & i requested Bureau Veritas to verify, to a limited level of assurance, the accuracy of the following GHG information:

### 1) Scope 1 and Scope 2 emissions:

- CO<sub>2</sub> emissions from energy use through the following store operations within Japan, U.S.A (excluding stores operated by domestic licensees of 7-Eleven, Inc.) and Canada:

Name of company	Number of stores covered within scope	Reporting period covered
Seven-Eleven Japan Co., Ltd.	19,423	April 1, 2016 through March 31, 2017
Ito-Yokado Co., Ltd.	187	
York-Benimaru Co., Ltd.	215	
Sogo & Seibu Co., Ltd.	23	
Seven & i Food Systems Co., Ltd.	639	
York Mart Co., Ltd.	79	
THE LOFT CO., LTD.	92	
AKACHANHONPO CO., LTD.	111	
SHELL GARDEN CO., LTD.	32	
Life Foods Co., Ltd.	215	January 1, 2016 through December 31, 2016
7-Eleven, Inc.	8,830	

- CO<sub>2</sub> emissions from energy use through the operations of four factories of Life Foods Co., Ltd. within Japan

### 2) Scope 3 Category 1 emissions:

- GHG emissions from following goods and services purchased by Seven-Eleven Japan Co., Ltd.:

Purchased goods and services	Reporting period covered
- Goods sold at stores	March 1, 2016 through February 28, 2017
- Uniforms for store staff	
- Packaging materials used at stores	April 1, 2016 through March 31, 2017

## 2. Methodology

Bureau Veritas conducted the verification in accordance with the requirements of the international standard 'ISO 14064-3(2006): Greenhouse gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions'.

As part of Bureau Veritas' assurance, the following activities were undertaken:

- Interviews with relevant personnel of Seven & i responsible for the identification and calculation of GHG emissions;
- Review of Seven & i's information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of a sample of source data to check accuracy of quantified GHG emissions.

## 3. Conclusion

Based on the verification work and processes followed, there is no evidence to suggest that the GHG emissions assertions shown below:

- are not materially correct and are not a fair representation of the GHG emissions from activities within the scope of work
- are not prepared in accordance with the methodology for calculating GHG emissions established and implemented by Seven & i.

Verified greenhouse gas emissions		
Scope 1 122,593 t-CO <sub>2</sub>	Scope 2 (market-based) 3,271,759 t-CO <sub>2</sub>	Scope 3 9,137,077 t-CO <sub>2</sub> e

### [Statement of independence, impartiality and competence]

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 180 years history in providing independent assurance services. No member of the verification team has a business relationship with Seven & i, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes.

## Group Environmental Data

Challenges	Unit	FY2014	FY2015	FY2016
CO <sub>2</sub> emissions *1	t-CO <sub>2</sub>	3,601,718	3,446,259	3,394,352
Scope 1	t-CO <sub>2</sub>	113,422	106,449	122,593
Scope 2	t-CO <sub>2</sub>	3,488,296	3,339,810	3,271,759
CO <sub>2</sub> emissions from store operations *2	GWh	6,753	6,753	6,847
Electricity consumption in store operations *3	1,000m <sup>3</sup>	33,760	33,760	35,920
Water usage in store operations (recycling rate) *4	t(%)	668,429 (52.7)	668,429 (52.7)	662,258 (50.7)

\*1 For FY2014 and FY2015, totals are for 10 companies: (SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, THE LOFT, SHELL GARDEN and 7-Eleven, Inc.). For FY2016, totals are for 11 companies due to the addition of Life Foods. (Data coverage is 95.0% of sales)

\*2 For FY2014 and FY2015, totals are for 14 companies: (SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, THE LOFT, SHELL GARDEN 7-Eleven, Inc. SEVEN-ELEVEN HAWAII, INC., SEVEN-ELEVEN(BEIJING), Chengdu Ito-Yokado, and Hua Tang Yokado Commercial). For FY2016, totals are for 15 companies due to the addition of Life Foods. (Data coverage is 96.4% of sales)

\*3 Totals are for 14 companies: (SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, THE LOFT, SHELL GARDEN 7-Eleven, Inc. SEVEN-ELEVEN HAWAII, INC., SEVEN-ELEVEN(BEIJING), Chengdu Ito-Yokado, and Hua Tang Yokado Commercial). (Data coverage is 95.9% of sales)

\*4 Totals are for 6 companies: (SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems). (Data coverage is 66.4% of sales)

## Group Personnel Data (Domestic in Japan) \*1

Breakdown of number of employees (as of the end of February 2017)		(persons)
Full-time employees *2		25,846
Male		18,938
Female		6,908
Part-time staff *3		59,239
Male		12,633
Female		46,606
Number of employees (full-time employees + part-time staff)		85,085
Male		31,571
Female		53,514
New graduate employees hired		1,025
Male		532
Female		493
Mid-career employees hired		531
Male		441
Female		90
Turnover (full-time employees) *4		1,409

	FY2014	FY2015	FY2016
Average length of service (full-time employees)	16 years 1 month	15 years 1 months	16 years 2 months
Number of full-time employees who took childcare leave *5 (males, part-time staff)	977 (11, 503)	1,015 (9, 411)	1,233 (10, 583)
Number of full-time employees who took nursing leave *5 (males, part-time staff)	24(2, 15)	32(11, 11)	50(10, 33)
Number of volunteer leave recipients	13	15	33
Percentage of women in management positions *6	22.9%	26.2%	26.3%
Team leader	25.6%	25.1%	30.2%
Section manager	16.8%	22.6%	23.0%
Division manager	7.2%	8.9%	10.0%
Executive officer	13.3%	15.0%	14.7%
Percentage of employees with disabilities *7	2.29%	2.47%	2.51%
Percentage of paid holidays taken	22.3%	27.6%	34.7%

\*1 Totals are for eight companies: Seven & i Holdings, SEJ, IY, Sogo & Seibu, YB, Seven & i Food Systems, Akachan Honpo, and Seven Bank. (The sales of the eight companies account for 91% of the Group's domestic sales.)

\*2 Data includes 1,511 persons reemployed after mandatory retirement.

\*3 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees.

\*4 Excluding mandatory retirement persons, but including Sogo & Seibu's voluntary retirement persons in October 2016. .

\*5 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

\*6 Totals are for eight companies: (Seven & i Holdings, SEJ, IY, Sogo & Seibu, YB, Seven & i Food Systems, Akachan Honpo, and Seven Bank). The percentage of team leaders or higher positions, excluding executive officers.

\*7 The rate for the fiscal year is the rate as of June 1 of the following fiscal year. The percentage of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terre Verte (special subsidiary for severe disabilities), SEJ, IY, and Seven & i Food Systems.

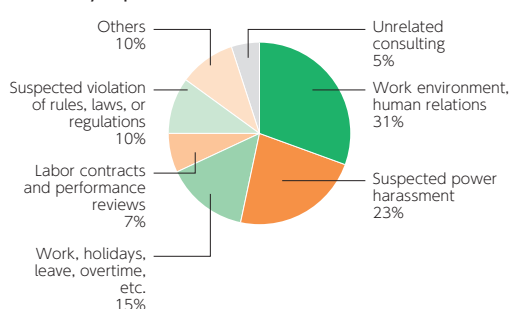
## Groupwide Data for Consultation Services for Employees

At Seven & i Holdings, as part of Groupwide internal controls, we have established within a third-party organization a Help Line for receiving consultation requests and reports from employees.

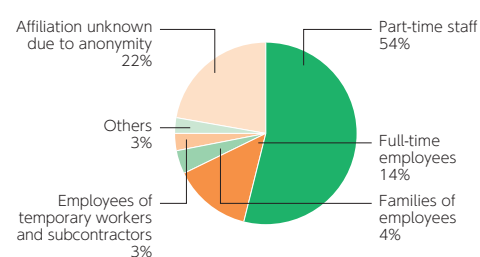
This is a system that applies to both the employees of Seven & i Holdings and the employees of domestic consolidated subsidiaries, being established to proactively prevent, quickly discover, promptly correct and stop reoccurrences of any behavior across the Group that would result in a loss of public trust.

	FY2014	FY2015	FY2016
Contacts received	705	844	845

### Description of contacts received by Internal Consultation Service by topic (FY2016)



### By user category



# Seven-Eleven Japan Co., Ltd.

Website: <http://www.sej.co.jp/social/index.html>

Number of stores as of February 29, 2016: 18,572

## Environment Related

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Attaining an appropriate grasp of environmental impact				
	<ul style="list-style-type: none"> <li>● Acquire ISO 14001: 2015</li> <li>● Reduce findings needing correction following ISO 14001: 2015 acquisition audit</li> </ul>	<ul style="list-style-type: none"> <li>● Achieved acquisition of ISO 14001: 2015</li> <li>● One non-compliant finding occurred following ISO 14001: 2015 acquisition audit</li> </ul>	<p>○</p> <p>△</p>	<ul style="list-style-type: none"> <li>● Reduce findings needing correction following regular ISO 14001:2015 audit to a level below FY2017</li> </ul>
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>● Install highly energy-efficient store illumination in 2,550 stores (1,800 new stores and 750 renovated stores)</li> <li>● Expand hybrid vehicles within the logistics' deliveries fleet to 750</li> </ul>	<ul style="list-style-type: none"> <li>● FY2017 results: Installed in 2,628 stores (new stores and renovated stores)</li> <li>● Expanded hybrid vehicles within the logistics' deliveries fleet to 760</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>● Install even more highly energy-efficient store illumination for 3,000 stores (including replacements)</li> <li>● Expand hybrid vehicles within the logistics' deliveries fleet to 840</li> </ul>
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> <li>● Reduce plastic bag usage per store to a level below FY2016</li> <li>● Food product recycling rate: Achieve 53.4% or higher</li> </ul>	<ul style="list-style-type: none"> <li>● Plastic bags usage per store: 947.9 kg (down 1.3% from FY2016)</li> <li>● Food product recycling rate: Achieved 53.4%</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>● Reduce plastic bag usage per store to a level below FY2017</li> <li>● Food product recycling rate: Achieve 54.4% or higher</li> </ul>
Offering eco-friendly products				
	<ul style="list-style-type: none"> <li>● Expand measures to reduce CO<sub>2</sub> in products that use plastic containers</li> <li>● Expand measures for eco-friendly containers and packaging for SEVEN CAFÉ products</li> </ul>	<ul style="list-style-type: none"> <li>● Expanded installation of eco-friendly PET containers to almost all PB containers for noodles</li> <li>● Expanded measures for eco-friendly containers and packaging (hot bodies, ice lids, etc.) for SEVEN CAFÉ products</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>● Use botanical inks that are friendly to the environment for packaging for sandwiches and original bakery products</li> <li>● Make all containers and packaging for SEVEN CAFÉ products compliant with eco-friendly packaging materials</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>● A cumulative 800 or more employees to pass the Eco Test (employees who take the test are mainly from the Merchandizing Department, to develop eco-friendly products)</li> </ul>	<ul style="list-style-type: none"> <li>● A cumulative 814 or more employees passed the Eco Test (employees who took the test were mainly from the Merchandizing Department, to develop eco-friendly products)</li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>● A cumulative 1,800 or more employees to pass the Eco Test (expand employees who take the test to the Store Development Department, to develop eco-friendly neighborhoods)</li> </ul>

### Environmental Data

Challenges	Unit	FY2014	FY2015	FY2016
CO <sub>2</sub> emissions *1 *2 *3	t-CO <sub>2</sub>	1,644,672	1,648,386	1,652,789
CO <sub>2</sub> emissions from store operations (per store) *1	t-CO <sub>2</sub>	1,462,231 (87.0)	1,451,605 (78.2)	1,430,723 (73.7)
Logistics-related CO <sub>2</sub> emissions(per store) *4	t-CO <sub>2</sub>	179,330 (10.7)	193,750 (10.4)	218,927 (11.3)
Electricity consumption in store operations (per store) *1 *3	GWh (MWh)	2,584 (154)	2,665 (144)	2,718 (140)
Water consumption in store operations *1 *5	1,000m <sup>3</sup>	10,412	11,229	10,154
Plastic bag consumption per store (by weight)	t	0.96	0.96	
Waste disposal (recycling rate) *6	t (%)	409,228 (47.1)	422,116 (47.9)	422,116 (45.4)
Food product recycling rate *7	%	51.3	52.4	53.4

\*1 The period of the calculations was April to March.

\*2 The data show CO<sub>2</sub> emissions stemming from the use of energy in store, logistics, headquarters, training center and district office operations.

\*3 Calculations are based on estimated electricity consumption for stores where data was not available.

\*4 The period of the calculations was March to February. This data represents CO<sub>2</sub> emissions stemming from the use of energy for distribution center operation and delivery trucks.

\*5 Calculations are based on estimated water consumption by approximately 3,400 stores in prefectural capitals.

\*6 Calculations are based on estimated emissions by the stores in Tokyo, Kyoto, etc. The period of the calculations was January to December. The amount of food waste was calculated based on the standard of \*7

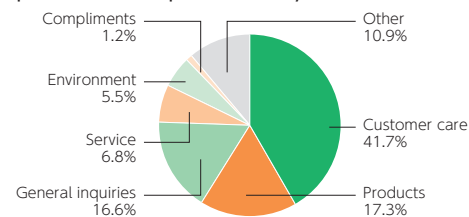
\*7 Calculated based on the reports submitted by food recycling companies. The period of the calculations was April to March.

## Consumer Challenges

### Data for Customer Response Services

In the fiscal year ended February 28, 2017, Seven & i Holdings began strengthening its response to customers by setting up a call center, aiming to improve customer satisfaction regarding opinions and inquiries. In addition, since many of the issues pointed out are related to customer service, we are reviewing the content of our cash register customer service training to strengthen support for franchise stores.

Service by topic for FY2016  
Contacts received: 151,574  
(up 13.4% from the previous fiscal year's level)



### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Ensuring the quality and safety of products and services				
	●Continue to improve evaluations received in NDF-HACCP maintenance audits in the dedicated factories for daily food products	●Improved the rate of NDF-HACCP certification acquisition in the dedicated factories for daily food products	○	●Review NDF-HACCP certification system and revitalize activities, for the adoption of the HACCP system in FY2020
Making stores and facilities more customer-friendly and reliable				
	●Stores adopting barrier-free design: 850	●Stores that adopted barrier-free design: 956	○	●New stores adopting barrier-free design (installing toilets accessible by wheelchairs): 1,000
	●Stores where the minimum necessary facilities continue operation even during blackouts: 1,800	●New stores where the minimum necessary facilities continue operation even during blackouts: 1,651 (all stores already equipped)	△	●Number of stores to have newly installed guard pipes to prevent vehicle "dive" accidents: 1,000
	●Stores where guardrails are installed (for stores with car parks): 1,800 (planned to install at all stores for which it is possible)	●Stores where guardrails were installed: New stores: 1,028; Existing stores: 1,156; Total: 2,184	○	
Assuring appropriate information provision				
	●Create a website that consolidates information on CSR as part of the 7-Eleven website, and strive to give clear disclosure	●In November 2016, "Initiatives for Society and the Environment" were renewed as the "CSR" page.	○	●Improve the frequency of updating CSR news ●Implement responsive web design/support to make it easy to browse on smartphones
Responding sincerely to customer opinions (organization)				
	●Improve the response rate to telephone inquiries by increasing the number of staff who respond to customers. Meet increased demand for customer service accompanying the increase in the number of stores by strengthening employees' customer care training	●Improved efficiency of telephone response by establishing call centers ●Strengthened the system as there is room for improvement in response at peak of incoming calls	△	●Increase speed of improvement by collaborating with departments in charge of matters frequently inquired about ●Strive to improve quality of responses to incoming calls

## Local Communities

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Supporting young parents and the elderly				
	●Mobile stores: 40 Electric vehicles: 1,000 Power-assisted bicycles: Promote use of close-by, convenient stores with the aim of introducing 3,000 bicycles	●In FY2016, introduced 35 mobile stores, 831 electric vehicles, and 2,635 electric-assisted vehicles	△	●Mobile stores: 70 Delivery vehicles such as electric vehicles: 1,000 Strengthen shopping assistance for customers who find it difficult to shop, including elderly people and working women
Assisting in local community revitalization				
	●Promote new conclusion of comprehensive alliance agreements with municipalities and promote ongoing initiatives to conclude more specific individual alliance agreements	●Concluded Comprehensive Regional Vitalization Partnership Agreements with 76 local governments, and special agreements for supporting the elderly (including some "guardian angel agreements") with 353 local governments	○	●At the same time as concluding a comprehensive agreement with a new local authority, proactively conduct ongoing initiatives related to societal issues, including senior support under the agreement
Providing support in times of disaster				
	●Enhance support systems, including for business partners, and cooperate effectively with national and local governments in order to fulfill the infrastructure functions, including the continuation of store operations at the time of a disaster,	●Concluded new disaster support agreements with Ehime Prefecture, Kochi Prefecture, Toyama Prefecture, Fukui Prefecture, Gifu Prefecture, and others	○	●Implement effective training, including for business partners, and cooperate effectively with national and local governments in order to fulfill the infrastructure functions, including the continuation of store operations at the time of a disaster
Implementing crime prevention measures for local communities				
	●Collaborate with the prefectural police and local police stations in sharing information, and achieve a participation rate for crime prevention drills and seminars of 50% or higher	●6,840 stores participated in crime prevention drills and seminars (36.4% participation rate). Worked to revise the content and implement the drills for communicating remittance-fraud prevention, etc.	△	●Collaborate with the prefectural police and local police stations in sharing information, and achieve a participation rate for crime prevention drills and seminars of 50% or higher



## Employee Related

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> <li>● Enhance training for new employees (Strengthen education about compliance and CSR)</li> <li>● Promote compliance education for District Managers</li> </ul>	<ul style="list-style-type: none"> <li>● Enhanced training for new employees (Strengthened education about compliance and CSR)</li> <li>● Used e-learning to promote education about compliance and CSR to all employees</li> </ul>	○	<ul style="list-style-type: none"> <li>● Use e-learning to conduct education about compliance and CSR to all employees</li> </ul>
Assuring fair assessment and treatment of employees				
	<ul style="list-style-type: none"> <li>● Digitize evaluation feedback and build a mechanism that reliably communicates self-evaluations</li> </ul>	<ul style="list-style-type: none"> <li>● Encouraged digitization of evaluation feedback, and realized a mechanism that reliably feeds back the self-evaluations</li> </ul>	○	<ul style="list-style-type: none"> <li>● Introduce a new evaluation system Aim to maximize the consolidation of target management together with the results</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>● Encourage male employees to take childcare leave</li> <li>● Encourage employees to take more paid leave</li> </ul>	<ul style="list-style-type: none"> <li>● Number of male users: 1</li> <li>● Paid leave usage rate: 62.4%</li> </ul>	△ ○	<ul style="list-style-type: none"> <li>● Build flexible work styles, including a staggered working hours attendance system</li> <li>● Encourage employees to take more paid leave employees to take more paid leave</li> </ul>
Making use of diverse human resources				
	<ul style="list-style-type: none"> <li>● Number of people with disabilities to be employed as employees: 30</li> <li>● Percentage of female managers (Team leader or higher positions): 32%</li> </ul>	<ul style="list-style-type: none"> <li>● Number of people with disabilities that were employed as employees: 28</li> <li>● Percentage of female managers (Team leader or higher positions): 31.4%</li> </ul>	△ △	<ul style="list-style-type: none"> <li>● Number of people with disabilities to be employed as employees: 27</li> <li>● Percentage of female managers (Team leader or higher positions): 32%</li> </ul>
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> <li>● Reduce the number of traffic accidents and violations by 10% compared to FY2015</li> <li>● Reduce the number of workplace accidents by 10% compared to FY2015</li> </ul>	<ul style="list-style-type: none"> <li>● Traffic accidents and violations: both decreased slightly</li> <li>● Number of workplace accidents: decreased 15% compared to FY2015</li> </ul>	× ○	<ul style="list-style-type: none"> <li>● Reduce the number of traffic accidents and violations by 10% compared to FY2016</li> <li>● Reduce the number of workplace accidents by 10% compared to FY2016</li> </ul>

### Personnel Data

Breakdown of number of employees (as of the end of February 2017)		(persons)
Full-time employees *1		8,408
	Male	5,982
	Female	2,426
Part-time staff *2		7,836
	Male	3,240
	Female	4,596
Number of employees (full-time employees + part-time staff)		16,244
	Male	9,222
	Female	7,022
New graduate employees hired		537
	Male	265
	Female	272
Mid-career employees hired		489
	Male	411
	Female	78

	FY2014	FY2015	FY2016
Average length of service (full-time employees)	9 years 6 months	8 years 1 month	9 years 2 months
Number of full-time employees who took childcare leave *3 (males, part-time staff)	159(0. 0)	188(0. 1)	251(1. 4)
Number of full-time employees who took nursing leave *3 (males, part-time staff)	2(1. 0)	3(3. 0)	4(4. 0)
Number of volunteer leave recipients	1	3	8
Percentage of women in management positions *4	30.5%	31.2%	31.0%
Percentage of employees with disabilities *5	2.29%	2.47%	2.51%
Percentage of paid holidays taken by full-time employees	45.5%	47.9%	62.4%
Frequency rate of workplace accidents	0.01%	0.15%	0.04%
Severity rate of workplace accidents	0.0005%	0.01%	0.00%

\*1 Data includes 88 persons reemployed after mandatory retirement.

\*2 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees.

\*3 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

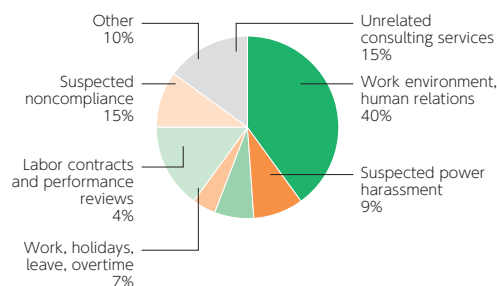
\*4 Section manager or higher.

\*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year. The percentage of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terre Verte (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

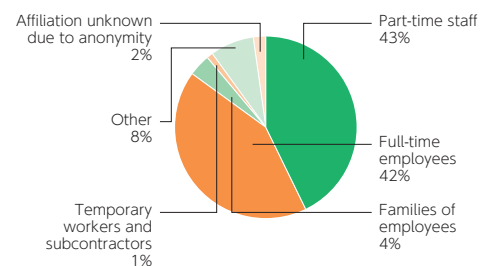
### Data for Consultation Services for Employees

As a result of conducting awareness surveys regarding the workplace environment for all employees, and at the same time informing everyone about the in-house reporting system and increasing the number of employee consultation centers, etc., the total number of consultations has been increasing. Seven & i Holdings has prepared a system to help resolve each consultation. In addition, we are working to acquire knowledge and foster awareness by implementing training about compliance and introducing e-learning.

#### Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2017 Contacts received: 100 (up 45% from the previous fiscal year's level)



#### By user category



## Environment Related

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>●Stores changing from fluorescent tubes to LED lighting: 108</li> <li>●Delivery distance per store: 235,000 km (same level as FY2015)</li> <li>Number of stores at end of FY2016: 186</li> </ul>	<ul style="list-style-type: none"> <li>●Introduced LED lighting in 108 stores</li> <li>●Delivery distance per store: 235,000 km (4.0% reduction compared to FY2015)</li> <li>Average number of stores operational in FY2016: 182</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>●Stores changing from fluorescent tubes to LED lighting: 13</li> <li>●Delivery distance per store: 225,000 km (same level as FY2016)</li> <li>Calculate from average number of stores operational in FY2017</li> </ul>
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> <li>●Food product recycling rate: 52%</li> <li>●Stores that implement recycling: 100 stores</li> </ul>	<ul style="list-style-type: none"> <li>●Food product recycling rate: 52.1%</li> <li>●Stores that implement recycling: 88 stores</li> </ul>	<ul style="list-style-type: none"> <li>○</li> <li>×</li> </ul>	<ul style="list-style-type: none"> <li>●Food product recycling rate: 53.0%</li> <li>●Stores that implement recycling: 90 stores</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>●Targeted number of employees to take the Eco Test: 200</li> </ul>	<ul style="list-style-type: none"> <li>●Number of employees who took the Eco Test: 444 (up 244 from FY2015)</li> </ul>	<ul style="list-style-type: none"> <li>○</li> </ul>	<ul style="list-style-type: none"> <li>●Employees that passed the Eco Test: 200</li> </ul>

### Environmental Data

Challenges	Unit	FY2014	FY2015	FY2016
CO <sub>2</sub> emissions *1 *2 *3	t-CO <sub>2</sub>	550,358	519,827	499,383
CO <sub>2</sub> emissions from store operations *1 *3 (Environmental impact index*4)	t-CO <sub>2</sub> (t-CO <sub>2</sub> /1,000,000m <sup>2</sup> ×1,000h)	524,418 (105)	493,858 (99)	474,179 (96)
CO <sub>2</sub> emissions by delivery vehicles *1 *3	t-CO <sub>2</sub>	23,638	23,590	24,896
Electricity consumption in store operations *1	GWh	851	838	826
Water usage in store operations *1	1,000m <sup>3</sup>	6,441	6,682	6,649
Plastic bag consumption (turndown rate) at the food section	t (%)	1,268(70.2)	1,210(71.7)	1,219(71.5)
Waste disposal (recycling rate)	t (%)	131,787(66.7)	138,568(65.8)	136,078(65.5)
Food product recycling rate	%	50.1	51.2	52.1

\*1 The period of the calculations was April to March.

\*2 CO<sub>2</sub> emissions stemming from the use of energy in store, Head Office, training center and distribution center operations and by delivery vehicles.

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

\*4 CO<sub>2</sub> emissions per (total sales floor area × opening hours).

## Consumer Challenges

### Data for Customer Response Services

Contacts received from customers were down by 16% from the previous fiscal year.

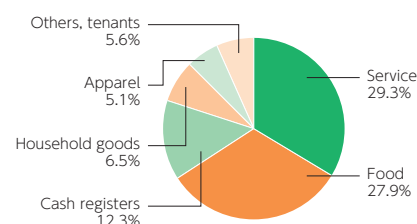
Service complaints, which comprise 29% of total contacts, declined by 13%.

We will continue to analyze the cause of complaints and take steps to prevent a recurrence.

### Description of contacts received by Customer Response Service by topic for FY2016

Contacts received: 66,747

(down 16% from the previous fiscal year's level)



## FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>●Implement even more detailed quality control activities to further improve quality</li> </ul>	<ul style="list-style-type: none"> <li>●Revised internal standards in compliance with changes in laws and regulations, and conducted awareness raising activities both internally and externally</li> <li>●Participated in both governmental and public-organization committees</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>●Review the internal systems to enable the Group to respond promptly in the event of an accident</li> </ul>
Making stores and facilities more customer-friendly and reliable				
	<ul style="list-style-type: none"> <li>●Create a procedure manual specializing in stores' initial responses</li> <li>●Confirm changes such as damage predictions by government agencies and reflect them in the countermeasures manual, etc.</li> </ul>	<ul style="list-style-type: none"> <li>●Started to create stores' initial responses and action plans</li> <li>●Confirmed changes such as damage predictions by government agencies and reflected them in the countermeasures manual, etc.</li> </ul>	<p>△</p>	<ul style="list-style-type: none"> <li>●Complete a procedure manual concerning stores' initial responses and action plans</li> <li>●Create a procedure manual concerning Head Office's initial responses and action plans</li> <li>Conclude and review contents of disaster agreement</li> </ul>
Assuring appropriate information provision				
	<ul style="list-style-type: none"> <li>●Summarize the results of the monthly interviews and provide information to Head Office, including concrete examples of inappropriate labeling, to prevent recurrence</li> </ul>	<ul style="list-style-type: none"> <li>●Results of store interview: A grade: 93% (an improvement of 11 percentage points) B grade: 6% (a worsening of 11 percentage points) C grade: 1% (no change)</li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>●Continue to provide on-site training at the store interview, share information with Head Office, and strive to prevent any recurrence of inappropriate labeling</li> </ul>
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> <li>●Use customer complaints to drive specific improvements</li> <li>●Narrow down to nine challenging stores, and carry out causal-research and preventative measures Aim especially to reduce service-related complaints</li> <li>●Disseminate information providing examples of customer care and sales-floor guidance and work to improve the level of customer care</li> </ul>	<ul style="list-style-type: none"> <li>●Implemented new handling of newly offered products upon customer request, and reviewed the functional appeal of products</li> <li>●No. of service complaints at all stores Down 12.8% YOY No. of service complaints at challenging stores Down 17.9% YOY</li> <li>●Disseminate a monthly pocket-sized manual in addition to weekly customer feedback department information, for use in customer care</li> </ul>	<p>△</p> <p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>●Find out the cause of a customer's opinion (scolding the Group or being criticized), and make a proactive proposal that leads to more detailed improvement actions</li> <li>●Conduct a mini-training session to improve the skills to enable employees to seriously engage (through empathy or acceptance) with the customer's opinion</li> </ul>

## Local Communities

## FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Supporting young parents and the elderly				
	<ul style="list-style-type: none"> <li>●Deepen the development of products that reflect customers' feedback</li> <li>●Make it easier to select Internet shopping websites, enhance product lineups, and increase convenience for those who find it difficult to visit stores</li> </ul>	<ul style="list-style-type: none"> <li>●Deepened (the development) for mainly everyday clothing and daily consumables as well as welfare equipment for which there had been large dissatisfaction with the price</li> <li>●Promoted through a lineup of more than 10,000 items, and easy-to-select categories</li> </ul>	<p>○</p> <p>△</p>	<ul style="list-style-type: none"> <li>●Respond to elderly people who's severity level of care dependency is mild concerned about the increased self-payment for nursing care services (expand product lineup and conduct product development)</li> <li>●Increase awareness of sales areas and collaborate with related sales areas</li> </ul>
Providing support in times of disaster				
	<ul style="list-style-type: none"> <li>●Conclude disaster support agreements with local governments, etc., at store-opening locations where there are no agreements yet</li> <li>●Successively revise the contents of agreements concluded in the past</li> </ul>	<ul style="list-style-type: none"> <li>●Concluded a new material support agreement with Osaka City</li> <li>●Reviewed agreement with Okayama City that was concluded in the past</li> <li>●Participated in disaster prevention drills arranged by local governments, etc., that have concluded agreements (material support, etc.)</li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>●Conclude disaster support agreements with local governments, etc., at store-opening locations where there are no agreements yet</li> <li>●Successively revise the contents of agreements concluded in the past</li> </ul>



## Employee Related

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Supporting development of employee abilities				
	●In addition to newly appointed store managers and deputy managers, also conduct OJT training for the person responsible for each sales area. Develop personnel capable of managing in accordance with front-line conditions by conducting training at stores with role-model corporate officers	●In addition to OJT education for new store managers and assistant managers, persons newly responsible for each sales area were provided training from role-model corporate officers, thereby inculcating an immediate fighting strength under front-line conditions	△	●Improve retention and increase fighting strength by conducting education tailored to part-time employees with diverse work styles ●Strive to strengthen management through the further implementation of OJT education at each divisional sales area, provided by supervisors and trainers
Making use of diverse human resources				
	●To promote respect for human rights and normalization, hold training centered on stores from the user's perspective, covering both knowledge and practice, thereby helping to promote general awareness in workplaces and increase understanding	●Number of training sessions: 84 Total no. of participants: 2,457	○	●Conduct training from the customer perspective and incorporate both knowledge learning and hands-on learning to promote respecting human rights and normalization with the aim of leading to promoting general awareness and understanding in workplaces
Assuring consideration for worker health and safety				
	●Reduce lost work-time accidents (4 days or more) to 90% compared to FY2015 ●Continue to conduct level-specific training on mental health and apply knowledge from training on the front lines	●Lost work-time accidents: 152 ⇒ 126 Achieved a decrease of 17% YoY ●In addition to newly appointed corporate officers, conducted sister training (conducted 8 times)	○ ○	●Further reduce lost work-time accidents ●Expand mental health education for existing corporate officers (SM-BR corporate officers)

### Personnel Data

Breakdown of number of employees (as of the end of February 2017)		(persons)
Full-time employees *1		7,807
	Male	5,725
	Female	2,082
Part-time staff *2		24,772
	Male	4,732
	Female	20,040
Number of employees (full-time employees + part-time staff)		32,579
	Male	10,457
	Female	22,122
New graduate employees hired		202
	Male	80
	Female	122
Mid-career employees hired		3
	Male	3
	Female	0

	FY2014	FY2015	FY2016
Average length of service (full-time employees)	21 years 7 months	21 years 0 months	22 years 1 months
Number of full-time employees who took childcare leave *3 (males, part-time staff)	260(0, 138)	327(2, 137)	412(3, 233)
Number of full-time employees who took nursing leave *3 (males, part-time staff)	15(2, 10)	11(2, 11)	20(1, 13)
Number of volunteer leave recipients	2	3	12
Percentage of women in management positions *4	22.4%	25.3%	25.6%
Percentage of employees with disabilities *5	2.29%	2.47%	2.51%
Percentage of paid holidays taken by full-time employees	14.0%	16.5%	18.1%
Frequency rate of workplace accidents	1.32	1.53	1.43
Severity rate of workplace accidents	0.03	0.03	0.03

\*1 Data includes 754 persons reemployed after mandatory retirement.

\*2 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees.

\*3 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

\*4 Team leader or higher.

\*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year. The percentage of workers with disabilities is for the five qualified Group companies: Seven & i Holdings, Terre Verte (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & i Food Systems.

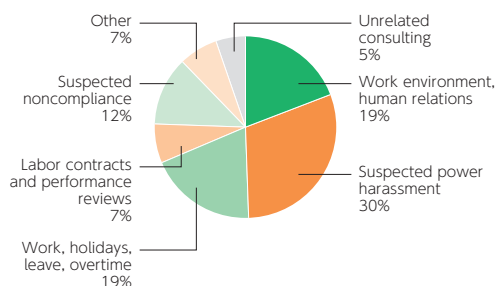
### Data for Consultation Services for Employees

The number of consultations in FY2016 decreased 22.7% compared to FY2015. The Group will continue striving to create workplaces that make communication easy, through rigorous operational management and leading by example by upper management

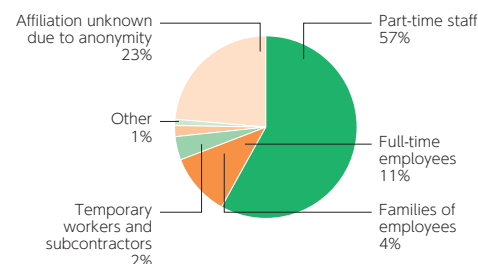
#### Description of contacts received by Customer Response Service by topic for FY2016

Contacts received:245

(down 22.7% from the previous fiscal year's level)



#### By user category



## Environment Related

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>Expand recommendations in renewal audits, and reduce items indicated by audits</li> </ul>	<ul style="list-style-type: none"> <li>Recommended items: 9 (up 6 compared with before)</li> <li>Items indicated by audits: 13 (up 2 compared with before)</li> <li>Unacceptable items: 0 (no change compared with before)</li> </ul>	△	<ul style="list-style-type: none"> <li>Expand recommendations in renewal audits, and reduce items indicated by audits</li> </ul>
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>Reduce energy usage by 1% when calculated in terms of crude oil usage</li> <li>Continue to expand the introduction of LED lighting</li> </ul>	<ul style="list-style-type: none"> <li>Reduced by 6.5% compared to FY2015</li> <li>Installed LED lighting at Hiroshima store and Yokohama store (total investment of ¥143 million for 6,463 LED lighting units)</li> </ul>	○	<ul style="list-style-type: none"> <li>Reduce energy usage by 1% when calculated in terms of crude oil usage</li> <li>Continue to expand the introduction of LED lighting</li> </ul>
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> <li>Food product recycling rate: 56.0% (Up 0.4% from the previous year)</li> <li>Waste recycling rate: 63.0% (Up 2.2% from the previous year)</li> <li>Improve waste recycling rate by more detailed separation of waste</li> </ul>	<ul style="list-style-type: none"> <li>Food product recycling rate: 61.7% (Up 6.1% from the previous year)</li> <li>Waste recycling rate: 62.4% (Up 1.6% from the previous year)</li> </ul>	○	<ul style="list-style-type: none"> <li>Food product recycling rate: 63.0% (Up 1.3% from the previous year)</li> <li>Waste recycling rate: 64.0% (Up 1.6% from the previous year)</li> <li>Continue to improve waste recycling rate by more detailed separation of waste</li> </ul>
Implementing measures to conserve biodiversity				
	<ul style="list-style-type: none"> <li>Plantings: 1,870 trees</li> <li>Promotion of anniversary-day gifts with green wrapping: 67,000 gifts</li> <li>Conduct tree-planting activities through employee volunteers</li> </ul>	<ul style="list-style-type: none"> <li>Plantings: 1,476 trees</li> <li>Planting location: Miyako City, Iwate Prefecture</li> <li>Green wrapping: 63,575 gifts</li> <li>Conducted tree-planting activities through employee volunteers</li> </ul>	△	<ul style="list-style-type: none"> <li>Tree-planting results: 1,410 trees</li> <li>Continue to promote anniversary-day gifts with green wrapping: 65,660 gifts</li> <li>Conduct tree-planting activities through employee volunteers</li> </ul>
Offering eco-friendly products				
	<ul style="list-style-type: none"> <li>New products selected: 30</li> <li>Enhance introduction of organic cotton products (babywear, towels, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>New eco-friendly products: 33 products</li> <li>Created A5 sized POP</li> <li>Sales of target products were ¥119.5 million</li> <li>Target achievement rate: 101.1%</li> </ul>	○	<ul style="list-style-type: none"> <li>New products selected: 30</li> <li>Continue to enhance introductions of organic cotton products (babywear, towels, etc.)</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>Environmental e-learning courses: All employees to take</li> <li>Number of employees reporting successful completion of the campaign to save electricity: 150</li> <li>Number of employees taking Eco Test: 46</li> <li>Pass rate: 90%</li> </ul>	<ul style="list-style-type: none"> <li>Environmental e-learning courses: Taken by all employees</li> <li>Number of employees reporting successful completion of the campaign to save electricity: 59</li> <li>Number of employees who took Eco Test: 46</li> <li>Pass rate: 91.3%</li> </ul>	△	<ul style="list-style-type: none"> <li>Environmental e-learning courses: All employees to take</li> <li>Number of employees reporting successful completion of the campaign to make employees save electricity: 100</li> <li>No. of employees taking Eco Test: 52</li> <li>Pass rate: 90%</li> </ul>

### Environmental Data

Challenges	Unit	FY2014	FY2015	FY2016
Number of stores	Stores	24	24	23
CO <sub>2</sub> emissions *1 *2 *3	t-CO <sub>2</sub>	194,315	193,101	173,088
CO <sub>2</sub> emissions from store operations *1 *3	t-CO <sub>2</sub>	193,578	192,417	171,052
Electricity consumption in store operations *1	GWh	341	339	315
Water usage in store operations *1	1,000m <sup>3</sup>	2,265	2,262	2,128
Packaging consumption	t	1,465	1,432	1,395
Waste disposal (recycling rate)	t (%)	30,880(62.1)	31,334(60.8)	29,390(62.4)
Food product recycling rate	%	54.7	55.6	61.7

\*1 The period of the calculations was April to March.

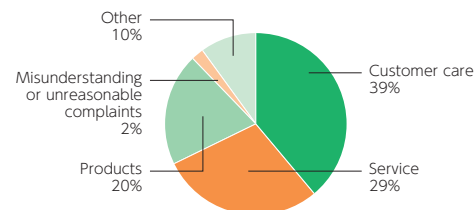
\*2 CO<sub>2</sub> emissions stemming from the use of energy in store, Head Office, corporate sales, and distribution center operations.

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

## Customer Response Service Data

In the fiscal year ended February 28, 2017, we continued to share internally the customer opinions sent to the customer consultation desks at each store, so that they could be used to improve our customer care services and operations, together with our product lineups, ancillary services and facilities. We promoted activities to resolve areas where customers were dissatisfied, and to reflect customer needs in our operating strategies. In the future, we will ascertain customers' wishes from the opinions that we receive, and stores and Head Office will work together to strengthen our response.

Service by topic for FY2016  
Contacts received: 9,161  
(down 8% from the previous fiscal year's level)



## FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>●Improve hygiene management knowledge of front-line staff using a booklet about basic points of food sanitation management</li> <li>●Continue product inspection system for private brand apparel and general merchandise items</li> <li>●Continue level-specific training to improve front-line staff skills</li> </ul>	<ul style="list-style-type: none"> <li>●Improved hygiene management knowledge of front-line staff using a booklet about basic points of food sanitation management at morning and lunch meetings as well as by the front-line instructions</li> <li>●Conducted 124 pre-delivery inspections of private-brand apparel and general merchandise items</li> <li>●Implemented level-specific training to improve front-line staff skills 24 times</li> </ul>	○	<ul style="list-style-type: none"> <li>●Continue to improve hygiene management knowledge of the front line staff</li> <li>●Based on hygiene inspection results, select issues for each store and focus on improving them</li> <li>●Continue product inspection system for private brand apparel and general merchandise items</li> <li>●Continue level-specific training to improve front-line staff skills</li> </ul>
Making stores and facilities more customer-friendly and reliable				
	<ul style="list-style-type: none"> <li>●Install long-time usage alarm devices for multipurpose restrooms</li> </ul>	<ul style="list-style-type: none"> <li>●Introduced a long-term usage alarm device in one multi-purpose toilet in the Higashi-Totsuka store</li> </ul>	○	<ul style="list-style-type: none"> <li>●Start inspections from a universal design perspective (Tokyo)</li> </ul>
Assuring appropriate information provision				
	<ul style="list-style-type: none"> <li>●Cooperate with specialist organizations to check and inspect both food product labeling and the labeling of private-brand apparel and general merchandise items, and continue to implement appropriate labeling and information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>●Conducted food product labeling inspections by specialist organizations 161 times for each base (kitchens and sales areas)</li> <li>●Conducted pre-delivery sampling inspections and twice monthly store-front inspections of the labeling of private brand items</li> </ul>	○	<ul style="list-style-type: none"> <li>●Cooperate with specialist organizations to check and inspect both food product labeling and the labeling of private-brand apparel and general merchandise items, and continue to implement appropriate labeling and information disclosure</li> </ul>
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> <li>●Analyze customers' wishes from their opinions, and get stores and Head Office to work together to promote further improvement in customer service awareness among employees</li> <li>●Reduce the number of complaints from customers: Below 4,689</li> </ul>	<ul style="list-style-type: none"> <li>●Sent out a weekly Attentive Service newsletter leveraging customer opinions, and continuously implemented activities to prevent complaints and improve customer service awareness</li> <li>●Continuously implemented activities leveraging customer opinions and reduced the number of complaints by 652 from the previous year to 3,858</li> <li>●Established a dedicated customer hotline for customers of stores that had finished operations</li> </ul>	○	<ul style="list-style-type: none"> <li>●Continue to ascertain customers' wishes from their opinions and get stores and Head Office to work together to promote further improvement in customer service awareness among employees</li> <li>●Reduce the number of complaints from customers: Below 3,800</li> </ul>

## FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Supporting young parents and the elderly				
	<ul style="list-style-type: none"> <li>● Continue to operate Pre-Mama Stations and Counters, and hold parent-child participation events</li> <li>● Strengthen sales of products developed by incorporating the opinions customers shared with their midwives, and start development of new products in 2017</li> <li>● Continue new development Shoe fitters: 10 Formal-wear advisors: 5 Shopping supporters for the elderly and people with disabilities: 15</li> <li>● Cognitive impairment supporters: 1,394 Accumulated total: 4,000</li> <li>● Children's shoes: trade in 95,900 pairs</li> </ul>	<ul style="list-style-type: none"> <li>● Pre-Mama Stations and Counters: 20,976 users (including 2,538 repeaters); Held parent-child participation events and others, and maternity classes</li> <li>● Not yet implemented due to reviewing the product development</li> <li>● Continued new development Shoe fitters: 11 Formal-wear advisors: 6 Shopping supporters for the elderly and people with disabilities: 38</li> <li>● Cognitive impairment supporters: 1,047 Accumulated total: 3,654</li> <li>● Children's shoes: trade in 89,976 pairs</li> </ul>	△	<ul style="list-style-type: none"> <li>● Continue Pre-Mama Stations and Counters and hold parent-child participation events</li> <li>● Strengthen customer development by sending core information for customers at each store via SNS from the Pre-Mama Stations</li> <li>● Continue new development Shoe fitters: 10 School bag advisors: 20 Formal-wear advisors: 5 Shopping supporters for the elderly and people with disabilities: 15</li> <li>● Cognitive impairment supporters: 1,346 Accumulated total: 5,000</li> <li>● Children's shoes: trade in 91,675 pairs</li> </ul>
Assisting in local community revitalization				
	<ul style="list-style-type: none"> <li>● Continue to conduct localized events</li> <li>● Improve convenience when voting by establishing a polling station before the polling date</li> <li>● Conduct further manufacturing using local resources and in cooperation with local craft-workers, develop different products for each store based on customers' opinions, and implement product lineups</li> <li>● Expand sales of region-limited products using Internet sales to strengthen sales for customers nationwide</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted local events such as the Green Curtain Project and water sprinkling activities, etc. (all stores)</li> <li>● Held local production and local consumption events linked to prefectural governments (Chiba store, Omiya store, Fukui store, Funabashi store)</li> <li>● Held summer vacation event Kids Academy in cooperation with local universities and companies (Funabashi store)</li> <li>● Held Health Seminar together with Tokorozawa City (Tokorozawa store)</li> <li>● Held indigo dye fashion show introducing local specialty goods (Tokushima store)</li> <li>● Established a polling station for early voting in four stores (Ikebukuro, Chiba, Higashi-Totsuka, Fukui)</li> <li>● Store staff worked with the Nutte service to manufacture products that reflect the different opinions of each region, and developed products for each region that were produced by local sewing craft-workers</li> <li>● Expanded sales routes of region-limited products by using Internet sales</li> </ul>	○	<ul style="list-style-type: none"> <li>● Continue to conduct localized events</li> <li>● Continue to improve convenience when voting by establishing polling stations for early voting</li> <li>● Using stores as the main vehicle, introduce various traditions, techniques, cultures, region-limited products, and local specialty goods, and promote sales</li> <li>● Strengthen information sharing, notifications and sales of each region-limited product and local specialty goods among stores</li> </ul>
Providing support in times of disaster				
	<ul style="list-style-type: none"> <li>● Including measures for people having difficulties in going home in the event of large earthquakes, continue to maintain cooperative systems with local municipalities and businesses</li> <li>● Through the holding of events such as disaster preparedness fairs, promote activities that raise the awareness of disaster-preparedness</li> <li>● Increase involvement in regional revitalization based on the concluded regional comprehensive agreements</li> </ul>	<ul style="list-style-type: none"> <li>● Participated in the Joint Council to Respond to People Having Difficulties in Going Home, which is organized by the participation of local authorities where the stores are located, together with large commercial facilities, transportation operators, and others. Proactively participated in drills.</li> <li>● Utilized motivational events such as "110 Day," "Disaster Preparedness Day," and "Emergency Day" to carry out disaster prevention and crime prevention awareness-raising activities for local residents using the space inside stores, together with exhibitions and direct sales of disaster prevention items</li> <li>● Distributed earthquake disaster prevention check-sheets and exhibited disaster prevention panels during Disaster Prevention Week and Disaster Prevention Volunteer Week (Yokohama Store)</li> </ul>	○	<ul style="list-style-type: none"> <li>● Collaborate with local governments and companies, including through existing regional comprehensive agreements and measures for people having difficulties going home in the event of large earthquakes, and strengthen involvement in systems of cooperation and regional vitalization</li> <li>● Through the holding of events such as disaster preparedness fairs, promote activities that raise the awareness of disaster-preparedness in cooperation with local communities</li> </ul>
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> <li>● On an ongoing basis, cooperate with local communities and their disaster preparedness and crime prevention systems</li> </ul>	<ul style="list-style-type: none"> <li>● Participated in local disaster preparedness training and crime-prevention patrols</li> </ul>	○	<ul style="list-style-type: none"> <li>● On an ongoing basis, cooperate with local communities and their disaster preparedness and crime prevention systems</li> </ul>

## Employee Related

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> <li>●New seminar participants: 2,900 people</li> <li>●Self-Directed Sales Area Training Course: 1,900 people</li> <li>●Career Advancement Course: 1,000 people</li> </ul>	<ul style="list-style-type: none"> <li>●New seminar participants: 3,728 people</li> <li>●Self-Directed Sales Area Training Course: 2,853 people</li> <li>●Career Advancement Course: 875 people</li> </ul>	○	<ul style="list-style-type: none"> <li>●New seminar participants: 2,400 people</li> <li>●Self-Directed Sales Area Training Course: 1,500 people</li> <li>●Career Advancement Course: 900 people</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>●Apply for certification as a gender-advanced "L-Boshi" company based on the law to promote women in the workplace</li> <li>●Establish systems for increasing the number of employees taking paid leave for childcare, nursing care, and family care</li> </ul>	<ul style="list-style-type: none"> <li>●Some evaluation items did not reach the required standard and were not approved</li> <li>●Established and disseminated a webpage dedicated to diversity on the company's intranet. Use of child-care leave increased by 2.5 times over the previous year</li> </ul>	△	<ul style="list-style-type: none"> <li>●Improve the system to acquire "L-Boshi" certification</li> <li>●Increase the number of employees using child-care leave or nursing care leave</li> </ul>
Making use of diverse human resources				
	<ul style="list-style-type: none"> <li>●Promote 40 people from non-regular employees to regular employees</li> <li>●Hire 10 mid-career specialist employees</li> <li>●Percentage of female managers (Section manager or higher positions): 20%</li> </ul>	<ul style="list-style-type: none"> <li>●36 contract workers became full-time employees</li> <li>●Hired 7 mid-career specialist employees</li> <li>●Percentage of female managers (Section manager or higher positions): 13.0% (Percentage of female team leaders: 52%)</li> </ul>	×	<ul style="list-style-type: none"> <li>●Promote 40 people from non-regular employees to regular employees</li> <li>●Hire 7 mid-career specialist employees</li> <li>●Percentage of female managers (Section manager or higher positions): 20%</li> </ul>
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> <li>●Create a support manual for returning to work after taking leave and use support programs for returning to work at all business sites</li> </ul>	<ul style="list-style-type: none"> <li>●Launched a program to support returning to work after taking leave, centered on the Kanto Office, and start using it</li> </ul>	○	<ul style="list-style-type: none"> <li>●Deploy health promotion activities at each business site to improve the health of employees who have a BMI of 25 or higher</li> </ul>

### Personnel Data

Breakdown of number of employees (as of the end of February 2017)		(persons)
Full-time employees *1		3,637
	Male	2,457
	Female	1,180
Part-time staff *2		3,893
	Male	402
	Female	3,491
Number of employees (full-time employees + part-time staff)		7,530
	Male	2,859
	Female	4,671
New graduate employees hired		60
	Male	37
	Female	23
Mid-career employees hired		0
	Male	0
	Female	0

	FY2014	FY2015	FY2016
Average length of service (full-time employees)	22 years 0 months	22 years 9 months	22 years 7 months
Number of full-time employees who took childcare leave *3 (males, part-time staff)	193(7, 85)	192(4, 69)	225(2, 108)
Number of full-time employees who took nursing leave *3 (males, part-time staff)	6(0, 5)	2(2, 0)	9(2, 5)
Number of volunteer leave recipients	No system	No system	No system
Percentage of women in management positions *4	23.1%	33.2%	34.6%
Percentage of employees with disabilities	2.04%	1.97%	1.86%
Percentage of paid holidays taken by full-time employees	6.6%	19.7%	22.0%
Frequency rate of workplace accidents	1.04	0.29	0.76
Severity rate of workplace accidents	0.02	0.01	0.01

\*1 Data includes 368 persons reemployed after mandatory retirement.

\*2 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees.

\*3 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

\*4 Team leader or higher.

\*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

## Employee Consultation Service Data

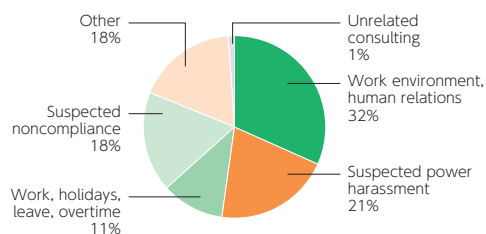
The number of customer consultations in the fiscal year ended February 28, 2017 decreased by about 10% compared to the previous year. By consultation content, the number of consultations about working conditions increased slightly, while consultations about suspected violations of rules, laws, or regulations together with unrelated consulting decreased, and consultations about the workplace environment, human relationships, and suspected harassment remained almost unchanged from the previous year.

We are continuing to thoroughly strengthen risk management. We always inform employees about the employee consultation centers (in-house reporting system) and encourage them to actively utilize it. We are also continually emphasizing the importance of educational activities concerning compliance with work rules, and the qualitative improvement of time management and communication. In addition, for the themes that each employee may be likely to encounter, we ask our lawyer to be the instructor and conduct training for employees about compliance and risk management as needed. We intend to continue those educational and training programs, thereby preventing accidents and incidents from occurring.

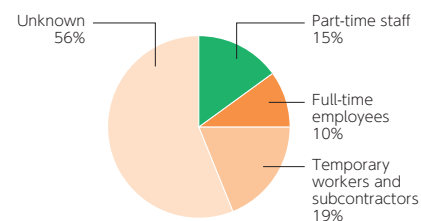
### Description of contacts received by Customer Response Service by topic for FY2016

Contacts received: 73

(down 13% from the previous fiscal year)



### By user category





# York-Benimaru Co., Ltd.

Website: <http://www.yorkbeni.co.jp/enviro/index.html>

Number of stores as of February 28, 2017: 213

## Environment Related

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>●Reduce energy consumption by upgrading to high-efficiency air conditioning</li> <li>●Reduce energy consumption by using BEMS</li> </ul>	<ul style="list-style-type: none"> <li>●Updated the basic air conditioning</li> <li>●Replaced the cold cases etc. in line with the renovation, etc.</li> </ul>	△	<ul style="list-style-type: none"> <li>●Analyze data by store, and make efforts to reduce electricity usage</li> </ul>

### Environmental Data

Challenges	Unit	FY2014	FY2015	FY2016
CO <sub>2</sub> emissions *1 *2 *3	t-CO <sub>2</sub>	204,741	191,121	192,466
CO <sub>2</sub> emissions from store operations (per store) *1 *3	t-CO <sub>2</sub>	182,808(914)	174,416(851)	175,735(837)
CO <sub>2</sub> emissions by delivery vehicles *1 *3	t-CO <sub>2</sub>	15,344	16,259	16,366
Electricity consumption in store operations *4	GWh	309	307	317
Water usage in store operations *1	1,000m <sup>3</sup>	1,043	1,074	1,063
Plastic bag consumption (turndown rate) at the food section	t (%)	418(70.6)	433(70.7)	458(70.5)
Waste disposal (recycling rate) *4	t (%)	43,029(51.6)	43,028(52.6)	40,644(47.5)
Food product recycling rate *4	%	40.4	44.1	53.4

\*1 The period of the calculations was April to March.

\*2 CO<sub>2</sub> emissions stemming from the use of energy in store, Head Office, training center and distribution center operations and by delivery vehicles.

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

\*4 The period of the calculations was January to March.

## Consumer Challenges

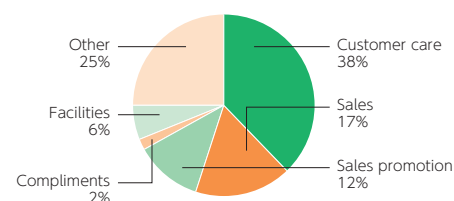
### Data for Customer Response Services

As part of our efforts to listen to our customers' voices and respond to every one of them, we share examples of individual stores successfully meeting customers' needs with all our stores. Our Head Office and stores will work together to provide customers with a more timely response and incorporate as many customer suggestions as possible into our operations with an eye to making our stores enjoyable places to shop with confidence.

Description of contacts received by Customer Response Service by topic for FY2016

Contacts received: 2,988

(up 13.3% from the previous fiscal year's level)



### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>●Strengthen sales of three-star vegetables, which are cultivated with the minimum possible use of chemical fertilizers and pesticides</li> <li>Value of sales: 19.0% increase from the previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>●Value of sales of three-star vegetables and products with visible production areas: 2.7% increase from the previous fiscal year</li> </ul>	△	<ul style="list-style-type: none"> <li>●Numerical targets for three-star vegetables and products with visible production areas: aiming for 6.1% increase from the previous year</li> </ul>
Making stores and facilities more customer-friendly and reliable				
	<ul style="list-style-type: none"> <li>●Continue to increase the number of stores certified pursuant to the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc. (New stores)</li> </ul>	<ul style="list-style-type: none"> <li>●Number of stores certified pursuant to the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.: 117 stores</li> </ul>	○	<ul style="list-style-type: none"> <li>●Expand into new stores Disabled Persons, etc. (New stores)</li> </ul>

## Local Communities

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Supporting young parents and the elderly				
	●Continue blood donations and aim to increase number of blood donors	●Number of blood donors: 487	○	●Continue blood donations
Assisting in local community revitalization				
	●Continue to hold Opening Anniversary Festivals to develop close relationships with the local community	●Continued to hold Opening Anniversary Festivals	○	●Continue to hold Opening Anniversary Festivals
Providing support in times of disaster				
	●Consider entering into disaster response agreements with local authorities upon request	●No local authorities concluded new disaster agreements (there were no requests)		●Continue considering entering comprehensive cooperation agreements with local authorities upon request
Implementing crime prevention measures for local communities				
	●Continue cooperating with requests from local police in regions where stores are located	●Cooperated with requests from local police	○	●Continue cooperating with requests from police

## Employee Related

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Supporting development of employee abilities				
	●Unify the education schedule and implement education utilizing Target Achievement Records to eliminate differences in educational progress between divisions	●Organized the contents of Target Achievement Records, and shared the education contents with all divisions, but there were still differences in analysis results between divisions	△	●Further develop level-specific training to eliminate differences in educational progress between divisions
Achieving a work-life balance				
	●Make an environment in which it is easy for individuals to take leave, including a half-day paid-leave system, and encourage use of leave	●Introduced a half-day paid-leave system ●Number of days of paid leave taken 15% higher than last year	○	●Improve rate of paid leave taken Annual average of 5 days
Making use of diverse human resources				
	●Aim to improve the percentage of female managers by implementing a female executive training curriculum, including training candidates for their next job position	●Although the percentage of women holding managerial positions increased, the percentage of women holding subordinate positions did not increase, and so the overall percentage did not increase	△	●Promote an executive training curriculum from the subordinate (team leader) class, thereby increasing the overall percentage of female managers
Assuring consideration for worker health and safety				
	●Workplace accidents per year: reduction of 10% from the FY2015 level	●Number of workplace accidents: up 11.0% from last year	×	●Number of workplace accidents per year: Down 20% from last year

## Personnel Data

Breakdown of number of employees (as of the end of February 2017)		(persons)
Full-time employees *1		2,835
	Male	2,487
	Female	348
Part-time staff *2		11,493
	Male	1,869
	Female	9,624
Number of employees (full-time employees + part-time staff)		14,328
	Male	4,356
	Female	9,972
New graduate employees hired		137
	Male	110
	Female	27
Mid-career employees hired		0
	Male	0
	Female	0

	FY2014	FY2015	FY2016
Average length of service (full-time employees)	14 years 6 months	14 years 4 months	15 years 0 months
Number of full-time employees who took childcare leave *3 (males, part-time staff)	109(2, 97)	163(1, 144)	156(0, 134)
Number of full-time employees who took nursing leave *3 (males, part-time staff)	1(0, 1)	3(2, 0)	13(1, 12)
Number of volunteer leave recipients	No system	No system	No system
Percentage of women in management positions *4	25.4%	26.4%	25.6%
Percentage of employees with disabilities *5	2.39%	2.54%	2.69%
Percentage of paid holidays taken by full-time employees	7.7%	13.4%	20.0%
Frequency rate of workplace accidents	2.39	3.74	3.64
Severity rate of workplace accidents	0.01	0.02	0.01

\*1 Data includes 148 employees reemployed after mandatory retirement.

\*2 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees.

\*3 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

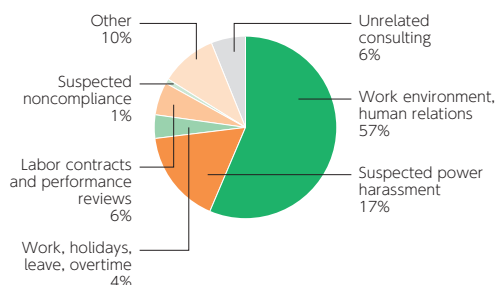
\*4 The percentage of team leaders or higher positions

\*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

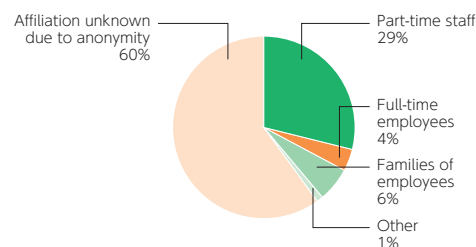
## Data for Consultation Services for Employees

York-Benimaru provides employees with a help line service. The service enables them to receive counseling on workplace issues, request investigations into noncompliance, etc. Employee suggestions are used to create a better workplace environment.

### Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2017 Contacts received: 83 (up 14% from the previous fiscal year)



### By user category



## Environment Related

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Attaining an appropriate grasp of environmental impact				
	●Continue to introduce BEMS to new stores	●Continued to introduce BEMS to new stores	○	●Introduce BEMS to all stores
Improving energy efficiency and introducing renewable energy				
	●Introduce reach-in multi-level refrigerated cases at existing stores	●Implemented at 9 existing stores ●Implemented at 2 new stores	○	●Continue to introduce reach-in multi-level refrigerated cases at existing stores
Reducing waste and developing a recycling-oriented society				
	●Food product recycling rate: 52.0%	●Food product recycling rate achieved: 51.9%	△	●Food product recycling rate: 53.0%
	●Plastic bag turndown rate for FY2016: achieve 55.0%	●Plastic bag turndown rate for FY2016: 50.4%	△	●Plastic bag turndown rate for FY2017: achieve 53.0% Down 2% from last year by weight
Raising environmental awareness among employees				
	●No. of employees that pass the Eco Test: 24	●No. of employees that passed the Eco Test: 20	△	●No. of employees that pass the Eco Test: 24

### Environmental Data

Challenges	Unit	FY2014	FY2015	FY2016
CO <sub>2</sub> emissions *1 *2 *3	t-CO <sub>2</sub>	61,383	58,169	57,562
CO <sub>2</sub> emissions from store operations (per store) *1 *3	t-CO <sub>2</sub>	61,330(787)	58,119(736)	57,520(728)
Electricity consumption in store operations *1	GWh	113	113	113
Water usage in store operations *1	1,000m <sup>3</sup>	543	558	522
Plastic bag consumption (turndown rate) at the food section	t	48.3	49.5	49.8
Waste disposal (recycling rate)	t(%)	19,995(64.8)	21,583(64.2)	21,637(64.0)
Food product recycling rate	%	51.6	51.1	(51.9)

\*1 The period of the calculations was April to March.

\*2 CO<sub>2</sub> emissions stemming from the use of energy in store operations and Head Office operations.

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

## Consumer Challenges

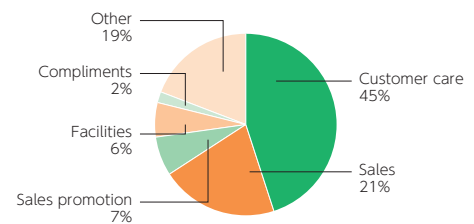
### Data for Customer Response Services

Some 684 calls were received by the toll-free phone numbers in the fiscal year ended February 28, 2017. The number of calls decreased slightly compared with previous fiscal year. Of these, customer care issues accounted for 45%, while sales-related issues accounted for 21%. Twelve of the calls were compliments. We will continue working to make further improvements.

Description of contacts received by Customer Response Service by topic for FY2016

Contacts received: 684

(down 1% from the previous fiscal year's level)



### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>● Establish compliance teams in new stores</li> <li>● Actively deploy the existing-store compliance teams</li> <li>● Increase frequency of wiping inspections and conduct follow-up inspections</li> </ul>	<ul style="list-style-type: none"> <li>● Established compliance teams in new stores</li> <li>● Actively deployed compliance teams in existing stores</li> </ul>	△	<ul style="list-style-type: none"> <li>● Establish compliance teams in new stores</li> <li>● Actively deploy compliance teams in existing stores</li> </ul>
Making stores and facilities more customer-friendly and reliable				
	<ul style="list-style-type: none"> <li>● Number of stores to be certified pursuant to the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.: 29 stores (incl. 2 new stores)</li> </ul>	<ul style="list-style-type: none"> <li>● Number of stores certified pursuant to the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.: 29 stores (incl. 2 new stores)</li> </ul>	○	<ul style="list-style-type: none"> <li>● Expand coming-in-contact sections</li> <li>● Refurbish customers' toilets (sequentially)</li> </ul>
Assuring appropriate information provision				
	<ul style="list-style-type: none"> <li>● Share the results of store audits (freshness monitoring, hygiene management, labeling management, etc.) and issues with store managers. Discuss ways to make improvements, promptly share information with management, Product Departments and the Sales Division, and confirm until improvements are implemented</li> <li>● Provide information related to hygiene management, freshness monitoring, and allergy labeling to stores through web conferences and weekly emails by Head Office quality control staff</li> </ul>	<ul style="list-style-type: none"> <li>● Shared the results of store audits and issues with store managers. Discussed ways to make improvements, promptly shared information with management, Product Departments and the Sales Division, and confirmed until improvements were implemented</li> <li>● Regularly held web conferences by Head Office quality control staff. Also, held a company-wide conference once at Head Office. Provided information through weekly emails</li> </ul>	○	<ul style="list-style-type: none"> <li>● Share the results of store audits (freshness monitoring, hygiene management, labeling management, working conditions, etc.) and issues with store managers. Discuss ways to make improvements, promptly share information with management, Product Departments and the Sales Division, and confirm until improvements are implemented</li> <li>● Provide information related to hygiene management, freshness monitoring, and allergy labeling to stores through web conferences and weekly emails by Head Office quality control staff</li> </ul>
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> <li>● Strive to avoid incidents and accidents by sending email from the customer feedback department to stores about items needing attention according to seasonal factors every week, and about the most recent incidents and accidents as they occur</li> <li>● Share examples of responses to customer requests by emailing other stores</li> </ul>	<ul style="list-style-type: none"> <li>● Avoided incidents and accidents in advance by sending email from the customer feedback department to stores about items needing attention according to seasonal factors every week, and about the most recent incidents and accidents as they occurred</li> <li>● Shared good examples weekly from among customer requests with each store</li> </ul>	△	<ul style="list-style-type: none"> <li>● Send email from the customer feedback department to stores about items needing attention according to seasonal factors every week, and about the most recent incidents and accidents as they occur</li> <li>● Strive to reduce customers' complaints by providing information to stores</li> </ul>

## Local Communities

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Supporting young parents and the elderly				
	<ul style="list-style-type: none"> <li>● Increase the number of users of the re-challenge plan system</li> <li>Revise operations accordingly and boost understanding and awareness of the system among other employees in the same workplace</li> </ul>	<ul style="list-style-type: none"> <li>● No. of users of the re-challenge plan system: 61 in FY2016 (of which 30 were part-time employees)</li> <li>Up 24.4 % from previous year</li> <li>● Every quarter held back-to-work orientation for employees returning to work after childcare leave, shared information and alleviated concerns</li> </ul>	○	<ul style="list-style-type: none"> <li>● Strengthen the expansion of the number of users of the re-challenge plan system</li> <li>● Continue to hold back-to-work orientation for employees returning to work after childcare leave</li> <li>● Promote knowledge and awareness of system by describing to users in the company's internal newsletter</li> </ul>
Assisting in local community revitalization				
	<ul style="list-style-type: none"> <li>● Continue to accept workplace tours and work experience participation by elementary and junior high school students</li> <li>● Train 450 cognitive impairment supporters</li> </ul>	<ul style="list-style-type: none"> <li>● Accepted workplace tours and work experience participation by elementary and junior high school students: approx. 8,500 students</li> <li>● Trained 335 cognitive impairment supporters</li> </ul>	○ △	<ul style="list-style-type: none"> <li>● Continue to accept workplace tours and work experience participation by elementary and junior high school students</li> <li>● Train 1,300 cognitive impairment supporters</li> </ul>

## Employee Related

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> <li>●Improve individual skills of full-time employees and part-time staff using Target Achievement Records, and develop managerial skills</li> <li>●Hold training for part-time leaders</li> </ul>	<ul style="list-style-type: none"> <li>●Progressed only to up diagnosis and not further enough too identify issues regarding improving individual skills and education</li> <li>●Training not yet implemented</li> </ul>	×	<ul style="list-style-type: none"> <li>●Standardize the educator's levels of skills</li> <li>●Deploy skill records for managers in charge of store sales areas</li> <li>●Create skills inventory from the store instructors' skill records"</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>●Reduce total work time</li> <li>Achieve 10% reduction in average number of overtime hours from the previous year</li> </ul>	<ul style="list-style-type: none"> <li>●Average number of overtime hours was 35.0, 1.1% less than the previous year</li> </ul>	△	<ul style="list-style-type: none"> <li>●Reduce total work time</li> <li>Achieve 10% reduction in average number of overtime hours from the previous year</li> </ul>
Making use of diverse human resources				
	<ul style="list-style-type: none"> <li>●Appoint part-time-staff to managerial roles: 80 employees</li> <li>Promote 30 people to expert part-time staff</li> <li>●Promote at least 15 people from contract workers to full-time employees</li> <li>●Percentage of female managers (Team leader or higher): 28.0%</li> <li>●Promote manager training, and promote 2 females to store manager</li> </ul>	<ul style="list-style-type: none"> <li>●Employees promoted to part-time-leaders: 73</li> <li>●Employees promoted to expert staff: 19</li> <li>Employees promoted to part-time managers: 2</li> <li>●Employees promoted to full-time employees: 23</li> <li>●Percentage of female managers (Team leader or higher positions):24.4%</li> </ul>	△	<ul style="list-style-type: none"> <li>●Promote 20 people to expert staff</li> <li>●Promote 15 people to full-time employees</li> <li>●Promote 2 females to management</li> <li>●Percentage of female managers (Team leader or higher positions):28.0% or more</li> </ul>
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> <li>●Reduce occurrence of workplace accidents</li> <li>Give notification of causes and responses</li> <li>Reduce lost work-time accidents</li> </ul>	<ul style="list-style-type: none"> <li>●Frequency rate: 3.52 → 2.31</li> <li>Severity rate: 0.06 → 0.0494</li> <li>Lost work-time accidents: 45 → 29</li> </ul>	○	<ul style="list-style-type: none"> <li>●Reduce occurrence of workplace accidents</li> <li>Give notification of causes and responses</li> <li>Reduce lost work-time accidents</li> </ul>

### Personnel Data

Breakdown of number of employees (as of the end of February 2017) (persons)		
Full-time employees *1		
		1,260
	Male	1,019
	Female	241
Part-time staff *2		
		4,524
	Male	1,106
	Female	3,419
Number of employees (full-time employees + part-time staff)		
		5,784
	Male	2,125
	Female	3,660
New graduate employees hired		
		99
	Male	59
	Female	40
Mid-career employees hired		
		8
	Male	8
	Female	0

	FY2014	FY2015	FY2016
Average length of service (full-time employees)	15 years 0 months	14 years 4 months	15 years 4 months
Number of full-time employees who took childcare leave *3 (males, part-time staff)	31 (0, 17)	40 (0, 24)	21 (0, 12)
Number of full-time employees who took nursing leave *3 (males, part-time staff)	0 (0, 0)	0 (0, 0)	1 (0, 1)
Number of volunteer leave recipients	0	0	0
Percentage of women in management positions *4	27.7%	26.7%	24.4%
Percentage of employees with disabilities *5	2.09%	2.00%	2.00%
Percentage of paid holidays taken by full-time employees	11.8%	12.6%	16.7%
Frequency rate of workplace accidents	4.24	3.52	2.31
Severity rate of workplace accidents	0.07	0.06	0.05

\*1 Data includes 71 persons reemployed after mandatory retirement.

\*2 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees.

\*3 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

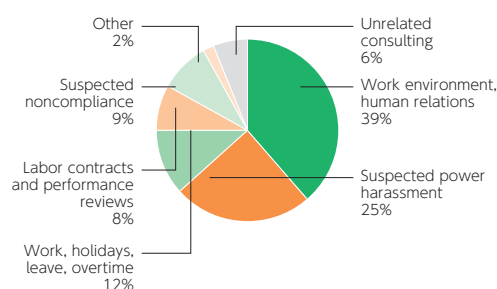
\*4 The percentage of team leaders or higher positions, excluding executive officers.

\*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

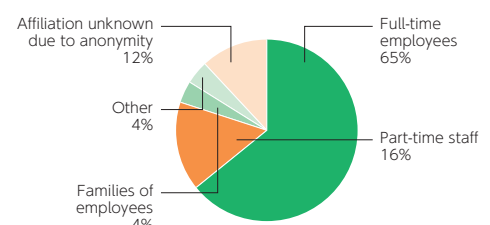
### Data for Consultation Services for Employees

Many reports have been received about employees' speech, behavior and morality, and we are working on changing the awareness of employees by educating them about our management philosophy and conduct guidelines

#### Description of contacts received by Customer Response Service by topic during FY2016 Contacts received: 102 (up 25% from the previous fiscal year's level)



#### By user category





# Seven & i Food Systems Co., Ltd.

Website: <http://www.7andi-fs.co.jp/7fs/company/csr.html>

Number of stores as of February 28, 2017: 815

## Environment Related

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Improving energy efficiency and introducing renewable energy				
	●Replace package air conditioners with individual air conditioners: 10 stores Amount of CO <sub>2</sub> emissions reduction: 167 tons	●Replaced with individual air conditioners: FY2016 results: 8 stores Amount of CO <sub>2</sub> emissions reduction: 134 tons	○	●Replace package air conditioners with individual air conditioners: 43 stores Amount of CO <sub>2</sub> emissions reduction: 718 tons
Reducing waste and developing a recycling-oriented society				
	●Install more raw garbage processors in Head Office test kitchen and stores (two units ⇒ seven units) Target food product recycling rate: 47%	●Raw garbage processors in operation: 7 (including 1 in Head Office) Target food product recycling rate: 46.2%	△	●Improve efficiency by reviewing the bacteria bed of the raw garbage processors already installed Target food product recycling rate: 47%
Raising environmental awareness among employees				
	●Encourage employees to take the Eco Test Increase scope of eligibility for taking the test up to store managers Target number of employees to take test annually: 180	●Number of employees who took the Eco test: 280 in FY2016 Cumulative number who passed: 362	○	●Continue to encourage employees to take the Eco test Target number of employees to take the Eco test annually: 280

### Environmental Data

Challenges	Unit	FY2014	FY2015	FY2016
CO <sub>2</sub> emissions *1 *2 *3	t-CO <sub>2</sub>	91,264	84,876	82,083
CO <sub>2</sub> emissions from store operations *1 *3	t-CO <sub>2</sub>	88,825	82,474	79,755
CO <sub>2</sub> emissions from delivery vehicles *1 *3 *4	t-CO <sub>2</sub>	2,289	2,259	2,164
Electricity consumption in store operations *1	GWh	135	130	128
Water usage in store operations *1	1,000m <sup>3</sup>	2,036	1,889	1,779
Waste disposal (recycling rate)	t (%)	10,280(25.6)	11,800(28.1)	12,393(26.9)
Food product recycling rate	%	45.4	46.4	46.2

\*1 The period of the calculations was April to March.

\*2 CO<sub>2</sub> emissions stemming from the use of energy in store operations (Seven & i Food Systems), Head Office, and delivery vehicles.

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

\*4 The values are for Denny's only.

## Consumer Challenges

### Data for Customer Response Services

In FY2016, although the number of opinions increased, the number of complaints decreased as it did in FY2015. However, unfortunately the number of compliments was lower than in the previous year.

Complaints: 2,430 to 2,309 cases (a decrease of 121 cases, or 5% from the previous fiscal year)

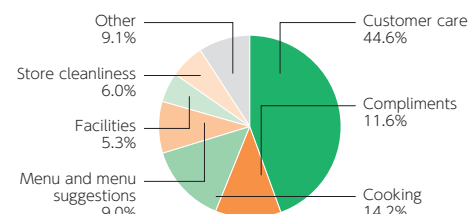
Compliments: 976 to 923 cases (a decrease of 53 cases, or 5.4% from the previous fiscal year)

In FY2017, we will work to improve customer satisfaction by continuing to focus on on-the-job-training at stores, while also enhancing off-the-job-training in the form of e-learning and various kinds of training.

Description of contacts received by Customer Response Service by topic for FY2016

Contacts received: 7,186

(up 14.3% from the previous fiscal year)



### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>● Evolve the e-Base content and improve the operations system</li> <li>● Continue to maintain the plant management confirmation system in and outside of Japan</li> </ul>	<ul style="list-style-type: none"> <li>● No change</li> <li>● Implemented in the Simplified Confirmation Table in cooperation with quality control</li> </ul>	○	<ul style="list-style-type: none"> <li>● Improve accuracy of contents</li> <li>● Improve usability of searches</li> <li>● Advance in plant management system following the strengthening of quality control</li> </ul>
Assuring appropriate information provision				
	<ul style="list-style-type: none"> <li>● Continue to conduct a search service on the usage of allergenic substances</li> </ul>	<ul style="list-style-type: none"> <li>● Disclosed nutritional components and allergy information on the company website. Printed the QR code on the back cover of the menu book</li> </ul>	○	<ul style="list-style-type: none"> <li>● Display allergy information for the seven specified ingredients for all menus in the menu book that was revised in September 2017</li> </ul>
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> <li>● Aim for further progress in getting the fundamentals straight and advance on-the-job and off-the-job training</li> <li>● Expand e-learning and various kinds of training, aiming to improve customer satisfaction</li> <li>● Halve the number of complaints and double the number of compliments</li> </ul>	<ul style="list-style-type: none"> <li>● Number of complaints: 2,309 (down 5% from the previous year)</li> <li>● Number of compliments: 923 (down 5.4% from the previous year)</li> </ul>	△	<ul style="list-style-type: none"> <li>● The relevant Head Office divisions aim to support and improve QSCA and to improve CS by considering the problems of the workplace as their own problems</li> <li>● The target is to halve the number of complaints and double the number of compliments</li> </ul>

## Local Communities

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Supporting young parents and the elderly				
	<ul style="list-style-type: none"> <li>● Continue to maintain the system for actively accepting work experience participants</li> <li>● Propose dietary education and health management through menus</li> </ul>	<ul style="list-style-type: none"> <li>● (FY2016 results)</li> <li>● Elementary school student company visits: 2 times, for 11 students</li> <li>● Junior high school workplace experience: 296 students</li> <li>● High school workplace experience: 2 students</li> <li>● High school hospitality business-trip teaching: 20 students</li> <li>● Regional support station lecture: 4 times, to 60 students (15 at each lecture)</li> </ul>	○	<ul style="list-style-type: none"> <li>● Continue to maintain the system for actively accepting work experience participants</li> </ul>
Assisting in local community revitalization				
	<ul style="list-style-type: none"> <li>● Continue to conduct relays with growing areas and aim for optimum purchasing for each region</li> <li>● Cooperate with local communities, and actively sponsor local governments, etc. Cognitive impairment supporters: 700 people</li> <li>● Continue to support recovery in disaster areas</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted according to plan and implemented stable procurement</li> <li>● Held 20 cognitive impairment supporter training sessions, and trained 251 new people, making a total of 1,366 people</li> <li>● Also incorporated into store manager training</li> <li>● Concluded a regional comprehensive agreement with Adachi Ward to advance our regional contribution</li> <li>● Provided support to disaster-affected areas through our core business</li> </ul>	○	<ul style="list-style-type: none"> <li>● Maintain and conduct relays with growing areas, thus developing the procurement of seasonal ingredients</li> <li>● Share information with local communities, strengthen cooperation, and promote store operations that are rooted in the region</li> <li>● Cognitive impairment supporters: 300</li> <li>● Continue to provide support to disaster-affected areas through our core business</li> </ul>
Providing support in times of disaster				
	<ul style="list-style-type: none"> <li>● Continue to proactively respond to requests received in the event of disaster from the local municipalities in which stores are located</li> </ul>	<ul style="list-style-type: none"> <li>● Continued the agreements for supporting people having difficulties returning home after a disaster in nine prefectures and cities and the Union of Kansai Governments</li> </ul>	○	<ul style="list-style-type: none"> <li>● Continue to proactively respond to requests received in the event of disaster from the municipalities</li> </ul>

## Employee Related

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> <li>● Expand e-learning content for training responsible personnel</li> <li>● Expand corporate philosophy education component in training and e-learning content</li> </ul>	<ul style="list-style-type: none"> <li>● Supplemented the training by providing additional e-learning content for training responsible personnel</li> <li>● Supplemented our corporate philosophy and educational components in both the training and e-learning</li> </ul>	<p>△</p> <p>○</p>	<ul style="list-style-type: none"> <li>● Conduct training centered on their basic stance and communication, as employees</li> <li>● Provide e-learning with content tailored to the workplace</li> </ul>
Assuring fair assessment and treatment of employees				
	<ul style="list-style-type: none"> <li>● Revise evaluation system and bonus system for introducing the ranking system within job responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>● Advanced preparation for introducing ranking system within job responsibilities in FY2017</li> </ul>	<p>○</p>	<ul style="list-style-type: none"> <li>● Conduct evaluator training for introducing ranking system within job responsibilities</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>● Monthly overtime: average of less than 20 hours</li> <li>● Leave to be taken: (8 days or more in one month)</li> </ul>	<ul style="list-style-type: none"> <li>● Monthly overtime: average of less than 18.4 hours per employee</li> <li>● Leave taken: 9.9 days</li> </ul>	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> <li>● Monthly overtime: average of less than 20 hours</li> <li>● Leave to be taken: (9 days or more in one month)</li> </ul>
Making use of diverse human resources				
	<ul style="list-style-type: none"> <li>● Expand employment of seniors</li> <li>● Conversions of contractual employees: 20 employees</li> <li>● Percentage of women in management positions</li> <li>Section manager or higher: Higher than 10%</li> <li>Team leader or higher: Higher than 12%</li> </ul>	<ul style="list-style-type: none"> <li>● Percentage of seniors employed: 5.7%</li> <li>● Conversions of contractual employees: 30 employees</li> <li>● Percentage of women in management positions</li> <li>Section manager or higher: 9.3%</li> <li>Team leader or higher: 12.0%</li> </ul>	<p>△</p> <p>○</p> <p>△</p> <p>○</p>	<ul style="list-style-type: none"> <li>● Percentage of seniors employed: 6%</li> <li>● Conversions of contractual employees: 20 employees</li> <li>● Percentage of women in management positions</li> <li>Section manager or higher: Higher than 10%</li> <li>Team leader or higher: Higher than 12%</li> </ul>
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> <li>● Reduce the number of occupational accidents at work</li> <li>Aim for a 10% decrease from 393 in FY2015</li> <li>Reduce BMI</li> <li>● Participation ratio in regular health checks by employees: over 96%</li> <li>Participation ratio in health checks by employees who work the late night shift: over 98%</li> </ul>	<ul style="list-style-type: none"> <li>● FY2016 results for the number of occupational accidents at work: 394, up 0.3% from the previous year</li> <li>No results for BMI</li> <li>● Participation ratio in regular health checks by employees: 99%</li> <li>Participation ratio in health checks by employees who work the late night shift: 97%</li> </ul>	<p>△</p> <p>○</p> <p>△</p>	<ul style="list-style-type: none"> <li>● FY2017 target for the number of occupational accidents at work: less than 320, down 20%</li> <li>Target for BMI of 25 or higher, down 10%</li> <li>● Participation ratio in regular health checks by employees: 100%</li> <li>Participation ratio in health checks by employees who work the late night shift: 99% or higher</li> </ul>

## Personnel Data

Breakdown of number of employees (as of the end of February 2017)		(persons)
Full-time employees *1		1,264
	Male	1,056
	Female	208
Part-time staff *2		9,069
	Male	2,261
	Female	6,809
Number of employees (full-time employees + part-time staff)		10,333
	Male	3,317
	Female	7,017
New graduate employees hired		38
	Male	22
	Female	16
Mid-career employees hired		6
	Male	3
	Female	3

	FY2014	FY2015	FY2016
Average length of service (full-time employees)	13 years 4 months	13 years 0 months	14 years 5 months
Number of full-time employees who took childcare leave *3 (males, part-time staff)	64(0, 52)	69(0, 56)	45(3, 33)
Number of full-time employees who took nursing leave *3 (males, part-time staff)	0(0, 0)	1(1, 0)	0(0, 0)
Number of volunteer leave recipients	1	0	2
Percentage of women in management positions *4	9.9%	10.9%	11.5%
Percentage of employees with disabilities *5	2.29%	2.47%	2.51%
Percentage of paid holidays taken by full-time employees	9.1%	11.3%	17.7%
Frequency rate of workplace accidents	0.66	0.87	0.81
Severity rate of workplace accidents	0.02	0.02	0.02

\*1 Data includes 68 contractual employees and temporary employees.

\*2 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees.

\*3 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

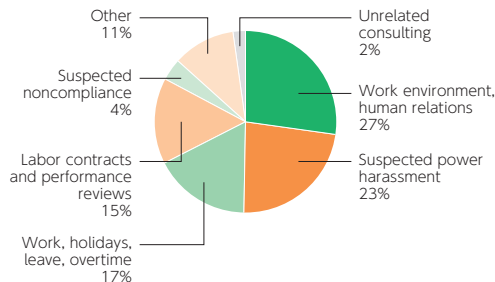
\*4 The percentage of team leaders or higher positions.

\*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year. The percentage of workers with disabilities is for the five qualified Group companies: Seven & I Holdings, Terre Verte (special subsidiary for severe disabilities), Seven-Eleven Japan, Ito-Yokado, and Seven & I Food Systems.

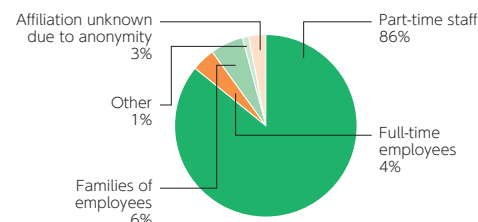
## Data for Consultation Services for Employees

The total number of consultations increased for the second consecutive year, to 120 from 111 last year. This is likely to be the result of increasing awareness about the availability of consultation, as consultation about human relationships and inquiries regarding contracts increased. The importance of awareness about CSR for improving the workplace environment accompanying changes in societal norms is increasing. We are striving to improve the workplace environment through targeted awareness-raising activities, including focusing on harassment and work-life balance (especially parenting and family care), and changing the content of training depending on the targeted recipients and job positions.

Service by topic for FY2016  
Contacts received: 143  
(up 19% from the previous fiscal year)



By user category



## Reducing the Environmental Impact

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> <li>●Transfer the LED lighting of four stores that were closed to update existing stores (make annual savings of approx. 102 kL of crude oil)</li> <li>●Renew Head Office and Sendai-Izumi store air conditioning (EHP; annual savings of approx. 60 kl)</li> </ul>	<ul style="list-style-type: none"> <li>●Transferred the LED lighting of four stores that were closed to update existing stores (make annual savings of approx. 102 kL of crude oil)</li> </ul>	×	<ul style="list-style-type: none"> <li>●Renew Head Office and Sendai-Izumi store air conditioning (EHP; annual savings of approx. 60 kl)</li> </ul>
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> <li>●Increase the plastic bag turndown rate to 8.0%</li> </ul>	<ul style="list-style-type: none"> <li>●Plastic bag turndown rate: 6.4%</li> </ul>	×	<ul style="list-style-type: none"> <li>●Increase the plastic bag turndown rate to 8.0%</li> </ul>
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> <li>●Strive to promote a more active awareness about LEDs and the initiatives to reduce the use of plastic bags such as switching to LED lighting</li> </ul>	<ul style="list-style-type: none"> <li>●Increased awareness of LED lighting renewal and initiatives to reduce the use of plastic bags by sharing information through the internal newsletter.</li> </ul>	○	<ul style="list-style-type: none"> <li>●Proactively raise awareness by distributing Information through the internal newsletter in coordination with "June Environment Month"</li> </ul>

### Environmental Data

Challenges	Unit	FY2014	FY2015	FY2016
CO <sub>2</sub> emissions *1 *2 *3	t-CO <sub>2</sub>	20,612	18,464	17,000
CO <sub>2</sub> emissions from store operations (per store) *2 *3	t-CO <sub>2</sub>	20,268(205)	18,183(175)	16,770(157)
Electricity consumption in store operations *2	GWh	34	31	30
Water consumption in store operations *2	1,000m <sup>3</sup>	48	45	26
Plastic bag turndown rate	%	7.3%	6.8%	6.4%

\*1 CO<sub>2</sub> emissions stemming from the use of energy in store operations and in headquarters operations

\*2 The period of the calculations was April to March

\*3 CO<sub>2</sub> emissions were calculated according to the Seven & i Holdings Group-Wide CO<sub>2</sub> Emissions Calculation Manual.

## Consumer Challenges

### Data for Customer Response Services

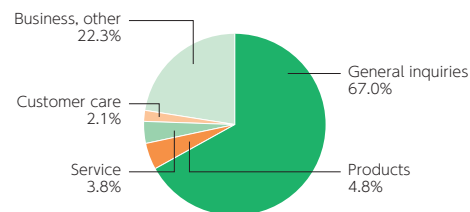
As a "customer consultation desk that operates uninterrupted throughout the year and offers toll-free phone calls," we listen to customer requests, opinions and inquiries, get alongside them and respond in a manner both fast and honest.

Since many of our customers are first-time users of our services, they have numerous issues that they either don't know or are uncertain about.

In order to alleviate such apprehensions on the part of customers even to the slightest degree, we take care to respond as kindly as possible.

We will work to improve the skills of the team members so that they can respond smoothly and provide customers with satisfaction, thereby increasing the overall response quality of the call center.

Description of contacts received by Customer Response Service by topic for the fiscal year ended February 28, 2017  
Contacts received: 15,061  
(down 18.7% from the previous fiscal year's level)



### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Ensuring the quality and safety of products and services				
	●Revise the internal labeling rules in accordance with the revision of the deduction system concerning defective products and the amendment of the law concerning laundry care symbols, and start operations deduction system	●Raised awareness through distributing materials internally and for business partners and holding briefing sessions for business partners concerning the amendment of the law. As a result, the overall defects decreased, private brands' defects increased in FY2017 products. Regarding the deduction system, no problems that affect transactions have occurred	○	●Number of lot defects ※Private brands are in parentheses) 47 cases in FY2015 (5 cases) 11 cases in FY2016 (11 cases) Although the overall defects decreased, private brands' defects increased in FY2016. As private-brand products are expected to increase in the future, we will focus on private-brand management, aiming for less than 30 cases in FY2017
Making stores and facilities more customer-friendly and reliable				
	●Continue to set up corner-less shelving and safety guards at nine new stores	●Installed corner-less shelving and safety guards at all new stores	○	●Proactively set up a space that can be used for relaxing and as an event venue at 3 stores
Assuring appropriate information provision				
	●Conduct Intranet-based testing Conduct audit evaluation of "labeling management" Ratio of full points at all stores: 100%	●Conducted intranet-based testing Full-points ratio of 100% not achieved	×	●Strive to eliminate the number of inadequate displays. Grasp the status of relevant departments and conduct improvements, reduce serious cases of inadequate displays to 0
Responding sincerely to customer opinions (organization)				
	●Customer service and service complaints: under 266 complaints annually Incidence rate: keep to 12 PPM* To this end, analyze causes of complaints and stem their repeated occurrence by conducting internal communication, sharing internally with area managers, and providing internal education	●In FY2016, the number of customer service complaints were 368 cases, not reaching the target by 102 cases. The incidence rate was 17.7 PPM, not reaching the target by 5.7 PPM. In comparison with the previous year, the number of complaints decreased by 43, and the incidence rate decreased by 1.3 PPM	×	●In fiscal 2017, we aim to maintain customer service and service complaints to within 260 cases, and continue to keep last year's target for the incidence ratio to 12 PPM

\* Parts Per Million (PPM): Calculated by dividing the number of complaints by the number of customers and multiplying by one million.

## Local Communities

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Supporting young parents and the elderly				
	●Take the further challenge of new events, and aim to contribute to the regional childcare environment	●Expanded store events such as beddy-bye photo-shoots and baby sumo-wrestling, thereby increased the number of stores holding some type of event daily	○	●Deploy Smile Childcare Advisors at all stores, and set up systems specializing in maternity-goods customers offering customer service that provides close support
Providing support in times of disaster				
	●Respond to requests from regions where there are stores	●There was no request for concluding the policy	○	●Respond to requests from regions where there are stores

## Employee Related

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Supporting development of employee abilities				
	●Correspondence course participants: target 100 For FY2016, aim to increase the number of participants by holding it twice.	●Number of correspondence course participants in FY2016: 76	△	●Assistant store manager (team leader rank) managerial research Target: Hold once every half year, to encourage over 30% of female employees to participate
Assuring fair assessment and treatment of employees				
	●Acquire points exceeding FY2015 results ●Review various work styles, including working conditions	●Reviewed personnel evaluation period, item, rank, and systems in the second half of FY2016	○	●Review the status of how employees apply for and actually take the leave, and ensure 100% of leave is taken
Achieving a work-life balance				
	●Ratio of eligible employees taking childcare leave: 25% or higher ●Number of assistant store managers or higher rank to be appointed with shorter working hours: 13 or more	●Eligible employees: 196; Employees who took childcare leave: 90; Percentage of leave taken: 45.9% ●Number of assistant store managers or higher rank to be appointed with shorter working hours: 12	○ △	●Ratio of eligible employees taking childcare leave: 50% or higher ●Monthly overtime per employee: less than 15 hours
Making use of diverse human resources				
	●Number of part-time leaders: 100 or more ●Percentage of female managers (section manager or higher): 25% or more ●Assistant store managers or higher rank appointed from among doing-childcare employees with shorter working hours: 15 or more	●February 28, 2017 Number of existing part-time leaders: 185 ●Percentage of women in management positions (section manager or higher): 22.9% or more ●Appointed 12 assistant store managers or higher rank with shorter working hours	○ △ △	●Number of existing part-time leaders: 220 ●Percentage of women in management positions (section manager or higher): 25% or more ●Assistant store managers or higher rank appointed from among doing-childcare employees with shorter working hours: 15 or more
Assuring consideration for worker health and safety				
	●Workplace accidents: less than 30	●Workplace accidents: 48	×	●Workplace accidents: less than 30

### Personnel Data

Breakdown of number of employees (as of the end of February 2017) (persons)		
Full-time employees *1		
	Male	503
	Female	418
Part-time staff *2		
	Male	122
	Female	1,936
Number of employees (full-time employees + part-time staff)		
	Male	625
	Female	2,354
New graduate employees hired		
	Male	12
	Female	30
Mid-career employees hired		
	Male	10
	Female	4

	FY2014	FY2015	FY2016
Average length of service (full-time employees)	13 years 6 months	14 years 9 months	13 years 8 months
Number of full-time employees who took childcare leave *3 (males, part-time staff)	139(1, 110)	144(1, 99)	116(0, 63)
Number of full-time employees who took nursing leave *3 (males, part-time staff)	0(0, 0)	0(0, 0)	3(0, 2)
Number of volunteer leave recipients	No system	No system	No system
Percentage of women in management positions *4	26.3%	32.1%	33.3%
Percentage of employees with disabilities *5	1.98%	2.03%	2.20%
Percentage of paid holidays taken by full-time employees	39.1%	39.6%	39.2%
Frequency rate of workplace accidents	0.00	0.00	0.00
Severity rate of workplace accidents	0.00	0.00	0.00

\*1 Data includes 9 contractual employees and temporary employees.

\*2 Monthly average number, with 8 hours/day counted as one employee. Includes contractual employees.

\*3 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

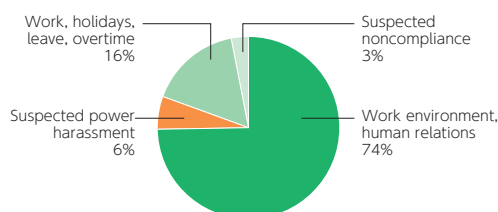
\*4 The percentage of team leaders or higher positions.

\*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

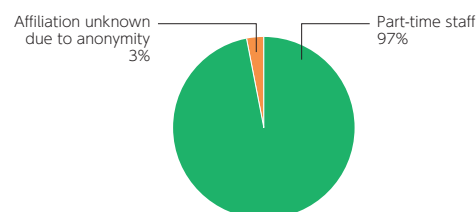
### Data for Consultation Services for Employees

Due to insufficient communication, there were many consultations received from employees who felt they were subject to power abuse. Throughout the company, we are repeatedly working to drive home to them the importance of communication. Continuing in the fiscal year ending February 28, 2018, the education department will lead compliance training in cooperation with staff who deal in fair trade, quality management, and legal affairs issues, and so forth, for new recruits through to specialist employees.

Service by topic for FY2016 Contacts received: 31 (up 72% from the previous fiscal year's level)



By user category





## Reducing the Environmental Impact

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Attaining an appropriate grasp of environmental impact				
	●Continue grasping and disclosing greenhouse gas emissions volumes (Scope 3 emissions) that the company indirectly discharges through the supply chain	●Conducted a Scope 3 calculation	○	●Continue grasping and disclosing greenhouse gas emission volumes (Scope 3 emissions) that the company indirectly discharges through the supply chain
Improving energy efficiency and introducing renewable energy				
	●Promote paperless operations	●Promoted paperless operations by installing a monitor in conference rooms and enhancing awareness internally ●Promoted paperless operations by utilizing tablet terminals in face-to-face business	○	●Promote paperless operations
Reducing waste and developing a recycling-oriented society				
	●Promote recycling of previous-type ATMs	●Disposal and recycling of second-generation ATMs accompanying their replacement with third-generation machines (FY2016: 1,437 units, 402 t) Disposal and recycling of UPS batteries (FY2016: 1,434 batteries)	○	●Promote the Three-Rs (re-use, reduce, recycle), including in offices
Offering eco-friendly products				
	●Complete the replacement of conventional ATMs with third-generation machines that operate on about half the electricity during FY2016	●Completed the replacement with third-generation ATMs in September 2016	○	●Stable operations of eco-friendly ATMs
Raising environmental awareness among employees				
	●Continue to actively participate in Seven & i Holdings' environmental volunteer activities, etc. ●Enhance the environmental volunteer activities by participants in Seven Bank's own programs	●25 employees participated in Seven & i Holdings' Great East Japan Earthquake Disaster Reconstruction Assistance Project, Tokyo Bay UMI Project, Environment Volunteers, etc. ●A total of 47 employees participated in the Bonolon's Forest Environmental Activity	○	●Continue to actively participate in Seven & i Holdings' environmental volunteer activities, etc. ●Enhance the environmental volunteer activities by participants in Seven Bank's own programs

### Environmental Data

Challenges	Unit	FY2014	FY2015	FY2016
Volume of paper ordered for office automation equipment	1,000 sheets	6,410	5,437	5,178
Electricity used at the offices*	MWh	1,302	1,236	1,134

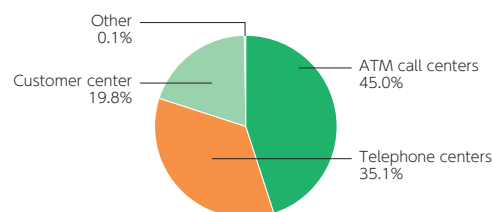
\* Data was not available for some rental offices. Data includes staffed branches and directly managed ATMs.

## Consumer Challenges

### Data for Customer Response Services

Seven Bank takes the opinions and requests it receives from customers seriously and is working to enhance and expand future services based on the details of customer enquiries. At the customer center for overseas money transfers, we are able to respond to inquiries in nine different languages.

Description of contacts received by Customer Response Service by topic for FY2016  
**Contacts received: 792,227**  
 (up 4% from the previous fiscal year's level)



### FY2016 Targets/Results and FY2017 Targets

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Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> <li>● Enhance response capabilities by training that incorporates the "unexpected"</li> <li>● Collaborate between departments and conduct training to further strengthen execution capabilities</li> <li>● Promote BCP by sharing information and resolving issues through BCP officers' committee meetings</li> </ul>	<ul style="list-style-type: none"> <li>● Confirmed the feasibility of BCP by conducting initial training for the countermeasures headquarters, conducting training to launch the countermeasures headquarters by radio on the assumption that a disaster has occurred on a holiday, and by business-measurement training in Osaka alone on the assumption that a disaster has occurred in Tokyo</li> <li>● Continued holding BCP officers' committee meetings, and strengthened systems by improving on issues</li> </ul>	○	<ul style="list-style-type: none"> <li>● Enhance various types of training, independent of scenario</li> <li>● Conduct initial training on the assumption that a pandemic has occurred</li> <li>● Maintain and strengthen BCP by sharing information and resolving issues through continuing BCP officers' committee meetings</li> </ul>
Making stores and facilities more customer-friendly and reliable				
	<ul style="list-style-type: none"> <li>● Continue to promote ATM functions to meet diverse needs</li> </ul>	<ul style="list-style-type: none"> <li>● Launched smartphone ATM service</li> <li>● Launched Seven Bank Easy Bankbook in nine different languages</li> </ul>	○	<ul style="list-style-type: none"> <li>● Continue to promote ATM functions to meet diverse needs</li> </ul>
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> <li>● Continue implementing initiatives to improve customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>● Continued to make improvements of products and services that make use of customers' opinions</li> </ul> <p>Internal collection of proposals: 691;            Proposals and communications made to relevant departments: 183            (Main examples of improvements)            Implemented countermeasures against forgetting cash (45% decrease in incoming calls after implementation)            Improved visibility of 7BK service-charges screen (40% decrease in incoming calls after implementation)</p>	○	<ul style="list-style-type: none"> <li>● Continue implementing initiatives to improve customer satisfaction</li> </ul>

## FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Supporting young parents and the elderly				
	<ul style="list-style-type: none"> <li>● Continue to promote story-telling activities via the sponsorship for "Bonolon, Warrior of the Forest"</li> <li>● Continue donations of picture books</li> <li>● Strengthen cooperation with children's centers</li> </ul>	<ul style="list-style-type: none"> <li>● Held story-telling events at children's centers and staffed Seven Bank branches, etc.</li> <li>● Donated picture books to children's centers as a result of issuing 49,120 Bonolon cash cards (donations made to 2,812 locations)</li> <li>● Click donations in support of Mashikimachi in Kumamoto Prefecture: ¥430,116</li> </ul>	○	<ul style="list-style-type: none"> <li>● Continue donations of picture books</li> <li>● Strengthen cooperation with children's centers</li> </ul>
Assisting in local community revitalization				
	<ul style="list-style-type: none"> <li>● Promote employee participation in volunteer opportunities</li> </ul>	<ul style="list-style-type: none"> <li>● 11 employees took volunteer-activity leave</li> <li>● There were more participants than the previous year in the volunteer activities organized mainly by the Chiyoda Business Volunteer Association (a group comprised of businesses located in Chiyoda City, where the Head Office of Seven Bank is located)</li> </ul>	○	<ul style="list-style-type: none"> <li>● Promote employee participation in volunteer opportunities</li> </ul>
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> <li>● Continue to gather and utilize information on anti-social forces to prevent transactions with them</li> <li>● Improve detection capability for evolving and diversifying financial crimes and strengthen prevention measures</li> <li>● Prevent all financial crimes by strengthening collaboration with investigating authorities and business partners, etc.</li> </ul>	<ul style="list-style-type: none"> <li>● Appropriately prevented transactions with anti-social social forces by continuing to gather and utilize information on them               <ul style="list-style-type: none"> <li>• Improved detection capability based on advanced research analysis of financial crimes and strengthened prevention measure</li> <li>• Promoted initiatives to minimize financial crimes by strengthening collaboration with investigating authorities and business partners</li> <li>• Strengthened security measures for overseas card transactions (changed transaction-amount limit, improved the speed of detection and accuracy of unauthorized transactions, etc.)</li> </ul> </li> </ul>	○	<ul style="list-style-type: none"> <li>● Continue to gather and utilize information on anti-social forces to prevent transactions with them               <ul style="list-style-type: none"> <li>• Continue to improve detection capabilities for evolving and diversifying financial crimes, and to strengthen prevention measures</li> <li>• Promote the prevention of all financial crimes by strengthening collaboration with investigating authorities and business partners, etc.</li> </ul> </li> </ul>

## Employee Related

### FY2016 Targets/Results and FY2017 Targets

○: Achieved △: Almost achieved ×: Far from achieved

Challenges	FY2016 Targets and Plans	FY2016 Results and Outcomes	Evaluation	FY2017 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> <li>● Strengthen self-education support (language, business, IT skills)</li> <li>● Continue strengthening education of next-generation leaders</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted education and training of next-generation leaders Management training: 13 employees Newly appointed management training: 11 employees Innovation training held by the Ministry of Economy, Trade and Industry: 3 employees</li> <li>● Training of overseas temporary staff: 2 employees</li> <li>● Domestic MBA temporary staff: 3 employees</li> <li>● Business classes taken: 4 employees</li> </ul>	○	<ul style="list-style-type: none"> <li>● Increase opportunities for personnel exchange both internally and externally, and support the autonomous growth of next-generation leaders</li> </ul>
Achieving a work-life balance				
	<ul style="list-style-type: none"> <li>● Create a foundation for promoting diversity <ul style="list-style-type: none"> <li>• Create environments that allow all employees to perform to their full potential, regardless of nationality or gender</li> <li>• Establish a new system to provide support for balancing childcare or nursing care and work</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Established a home working system: 6 users</li> <li>● Employees who took paid childcare leave: 13</li> <li>● Employees who used the short working hour system due to doing childcare and nursing care: 21</li> </ul>	○	<ul style="list-style-type: none"> <li>● Proactively utilize the system to support in balancing childcare, nursing care, etc., and work</li> </ul>
Making use of diverse human resources				
	<ul style="list-style-type: none"> <li>● Continue conducting nursing care training</li> <li>● Implement vigorous initiatives for employees with disabilities</li> <li>● Convert fixed-term employees to permanent employees (phased conversion of target employees one by one)</li> </ul>	<ul style="list-style-type: none"> <li>● Percentage of employees with disabilities: 2.22%</li> <li>● Held lifetime design seminars</li> <li>● Held nursing care seminars</li> <li>● Provided nursing care support service mediation</li> <li>● Regularly disseminated examples of general consultation on nursing care, etc.</li> <li>● Converted fixed-term employees to permanent employees (27 employees)</li> </ul>	○	<ul style="list-style-type: none"> <li>● Promote diversity inclusion <ul style="list-style-type: none"> <li>• Create environments and awareness that allow all employees to perform to their full potential, regardless of nationality or gender</li> <li>• Implement vigorous initiatives for employees with disabilities</li> <li>• Continue to convert fixed-term employees to permanent employees</li> </ul> </li> </ul>
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> <li>● Continue to ensure that employees take paid leave</li> <li>● Devise measures to ensure that employees will leave the office on time during the targeted periods</li> <li>● Conduct stress checks</li> </ul>	<ul style="list-style-type: none"> <li>● Percentage of paid holidays taken: full-time employees 81.6%; contract workers 85.9%</li> <li>● Dedicated two separate periods to encouraging employees to leave the office on time</li> <li>● Conducted stress checks</li> </ul>	○	<ul style="list-style-type: none"> <li>● Continue to ensure that employees take paid leave</li> <li>● Devise measures to ensure that employees will leave the office on time during the targeted periods</li> <li>● Conduct stress checks</li> </ul>

### Personnel Data

Breakdown of number of employees (as of the end of February 2017)		(persons)
Full-time employees *1		399
	Male	306
	Female	93
Part-time staff *2		91
	Male	7
	Female	84
Number of employees *3 (full-time employees + part-time staff)		490
	Male	313
	Female	177
New graduate employees hired		9
	Male	6
	Female	3
Mid-career employees hired		16
	Male	11
	Female	5

	FY2014	FY2015	FY2016
Average length of service (full-time employees)*4	7 years 0 months	7 years 3 months	7 years 7 months
Number of full-time employees who took childcare leave *5 (males, part-time staff)	12(1, 2)	10(1, 0)	13(1, 5)
Number of full-time employees who took nursing leave *5 (males, part-time staff)	0(0, 0)	0(0, 0)	0(0, 0)
Number of volunteer leave recipients	9(9 cases)	9	11
Percentage of women in management positions *6	9.9%	10.7%	10.5%
Percentage of employees with disabilities	2.06%	2.28%	2.22%
Percentage of paid holidays taken by full-time employees	82.7%	80.4%	83.2%
Frequency rate of workplace accidents	0.00	1.04	0.00
Severity rate of workplace accidents	0.00	0.00	0.00
Number of employee consultations	1	0	1

\*1 Data excludes persons reemployed after mandatory retirement.

\*2 Monthly average number, with 8 hours/day counted as one employee.

\*3 The number of employees excludes corporate officers, executive officers, employees dispatched from the company to outside the company, part-time employees, and temporary staff; and includes people dispatched from outside the company to the company

\*4 Persons reemployed after mandatory retirement.

\*5 The company was established in 2001

\*6 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

\*7 The percentage of team leaders or higher positions, excluding executive officers.