



SEVEN&i HLDGS. Co., Ltd.

CSR Data Book 2018



About the CSR Report

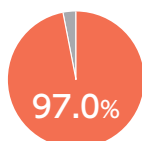
This website covers CSR initiatives implemented by Seven & i Holdings, our holding company, and its operating companies. There is comprehensive reporting on initiatives each operating company has taken in regard to the material issues and CSR activities overseas. Moreover, the SDG logo appears on Seven & 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, 2018 (March 2017 to February 2018). Some of our activities in the fiscal year ending February 28, 2019 are also included.

References

GRI Sustainability Reporting Standards

ISO 26000

Current Report September 2018

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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Message from the President

The Seven & i Group strives, in accordance with its corporate creed,¹ to be a sincere business enterprise that earns the trust of all stakeholders including customers, business partners, shareholders, local communities, franchisees, and employees.

The distribution and retail environment in Japan today is undergoing rapid changes as a result of a falling birthrate, aging population, smaller households, decline in retail stores and social centers, labor and personnel shortages, the appearance of various new technologies and means of payments, and various other factors. These changes in the social environment give rise to a host of management challenges.

The United Nations adopted the Sustainable Development Goals (SDGs)² as shared targets of international society to be achieved by 2030 in order to address increasingly serious global issues such as climate change, resource depletion, poverty, inequality, and human rights. In Japan, the Sustainable Development Goals Promotion Headquarters, chaired by the Prime Minister and made up of all Cabinet members, was established within the Cabinet Office and other measures have been taken to respond to the extremely high expectations and demands for solutions to issues in Japan and overseas.

Investment in the environment, society, and governance (ESG) has been increasing rapidly in management strategies that factor in social and environment factors as a means of sustainably increasing corporate value, curtailing risks, and creating opportunities.

The Government Pension Investment Fund (GPIF), the world's largest pension fund, began investing in three ESG indices in 2017 and commenced passive investment in domestic and foreign stocks based on environmental stock indices that target global shares at a scale of 1 trillion yen in 2018. These and other developments show that ESG information is seen as a highly significant element for discerning the long-term growth potential of a company. Companies are being called on to disclose information even more proactively than in the past.

It is becoming increasingly important to promptly reflect in the management decision-making process the opinions and requests of stakeholders determined through dialogue and carry them out in order to respond to these changes in the times and demands from society.

The Seven & i Group signed the United Nations Global Compact³ in 2012 and practices its 10 principles. We also identified five priority topics (material issues) that are particularly important for society and the Group through dialogue with stakeholders so that we can respond to social expectations and demands, taking into consideration the diverse range of issues relating to our expanding business domains and sustainability.

In line with the material issues, we need to work to mitigate the negative impacts that we have on society and appropriately manage the risks that threaten corporate sustainability. I would also like each Group company to raise awareness of the SDGs and take independent and concrete action with a focus on the five material issues, taking into account their unique business attributes, in accordance with our management policy of pursuing both corporate and social value.

We will also establish deliberative bodies to plan and carry our business that will create value for both society and the Group and through our core business will seek to create new business models with social issues as the starting point.

Looking to the future, the Seven & i Group will respond to the various changes in the social environment with a spirit of "reliability and sincerity," using the Group strengths such as business infrastructure and expertise that it has accumulated. We will implement the PDCA cycle as we carry out management intended to create a sustainable society in order to solve social problems and raise corporate value over the medium to long term.

Ryuichi Isaka
President and Representative Director

*1 The Seven & i Group 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:

The SDGs are targets for all of international society adopted unanimously by the 193 member states of the United Nations at the Sustainable Development Summit in September 2015. There are 17 goals and 169 targets regarding priority, global-scale issues, creating a clear vision for the world to be achieved by 2030.

*3 United Nations Global Compact:

A voluntary initiative whereby companies and organizations participate in a global framework to act as good members of society by displaying responsible and creative leadership to achieve sustainable growth. The Compact comprises 10 principles in four fields (human rights, labor, the environment, and anti-corruption) recognized by international society and globally adopted and agreed upon as universal values.



Ryuichi Isaka
President and
Representative
Director

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.



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. Relationships with Customer
3. Relationships with Business Partners
4. Relationships with Shareholders and Investors
5. Relationships with Local and International Communities
6. Relationships 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 and Basic Policy 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 point of view, and to earn our customers' trust we value communication, and will continue to respond to their feedback.	<ul style="list-style-type: none"> ● Daily operations ● Inquiries to the customer feedback department ● Customer questionnaires ● Website community that invites customers to participate 	<ul style="list-style-type: none"> ● Provide products and services that enrich customers' lives ● Improve products and services and ensure safety ● Label accurately in an easily understandable manner ● Manage personal information appropriately ● Promote universal design
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"> ● Product development meetings ● Quality improvement meetings ● Informal gatherings with business partners ● CSR audits of business partners ● Business Partner Help Line ● Business partner questionnaires 	<ul style="list-style-type: none"> ● Development of products and services through team merchandising ● Rigorous fair trade practices ● Compliance with laws and regulations through the supply chain and consideration for human rights and the environment
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"> ● General Shareholders' Meeting ● Financial results presentations ● Meetings with investors ● Information website for investors and organization newsletter 	<ul style="list-style-type: none"> ● Maximization of shareholder value and return profits ● Proper accounting procedures and timely disclosure of information ● Highly transparent management ● Accountability toward beneficiaries
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"> ● Regional Comprehensive Economic Partnerships with local governments ● Participation in community activities ● Dialogue through industry groups 	<ul style="list-style-type: none"> ● Provision of products and services matching regional characteristics ● Consideration for living environments in regional areas ● Contribution to regional development ● Resolution of social issues in collaboration with NGOs, NPOs, and others ● Safe and reliable urban development in collaboration with administrative authorities ● Support for local production and local consumption, dietary education, child-raising, the elderly, and people with disabilities ● Provision of products after the occurrence of natural disasters and support for affected areas ● Participation in volunteer activities

Engagement with Stakeholders		Main Engagement Methods	Main Response Policy
Franchise Store Owners	Seven–Eleven Japan (SEJ) believes that relationships of trust with owners of franchise stores are 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"> Regular OFC visits to stores Product exhibitions Training and workshops by region Owners' organization newsletter 	<ul style="list-style-type: none"> Strengthening of management structure Strengthening of store operation capabilities Strengthening of partnerships Construction and ongoing improvement of a highly competitive franchise system
Employees	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.	<ul style="list-style-type: none"> Management policy briefings Employee opinion survey Employee training Self–check systems and individual meetings Internal portal website and Group newsletter Employee Help Line 	<ul style="list-style-type: none"> Respect for human rights, diversity, and individuality Creation of discrimination–free workplaces that consider human rights Utilization of diverse human resources Occupational health and safety and prevention of workplace accidents Achievement of work–life balance Preventative care for mental health Promotion of employee health Transparent and fair evaluations Respect for rights, such as the right for employees to engage in collective bargaining Support for development of employee abilities
Global Environment	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.	<ul style="list-style-type: none"> Inquiries to the customer feedback department Dialogue with product and packaging materials suppliers Dialogue with national and local governments, NPOs, and NGOs, and residents of store neighborhoods Dialogue with equipment and maintenance companies Waste disposal companies 	<ul style="list-style-type: none"> Reduced CO₂ emissions Reduced energy consumption Environmental awareness among employees Compliance with environmental legislation Installation of energy saving and environmentally friendly equipment Water–saving measures Reduction of waste and promotion of recycling Reduction of packaging materials Preservation of biodiversity Environmentally considerate products and services

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 12 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.

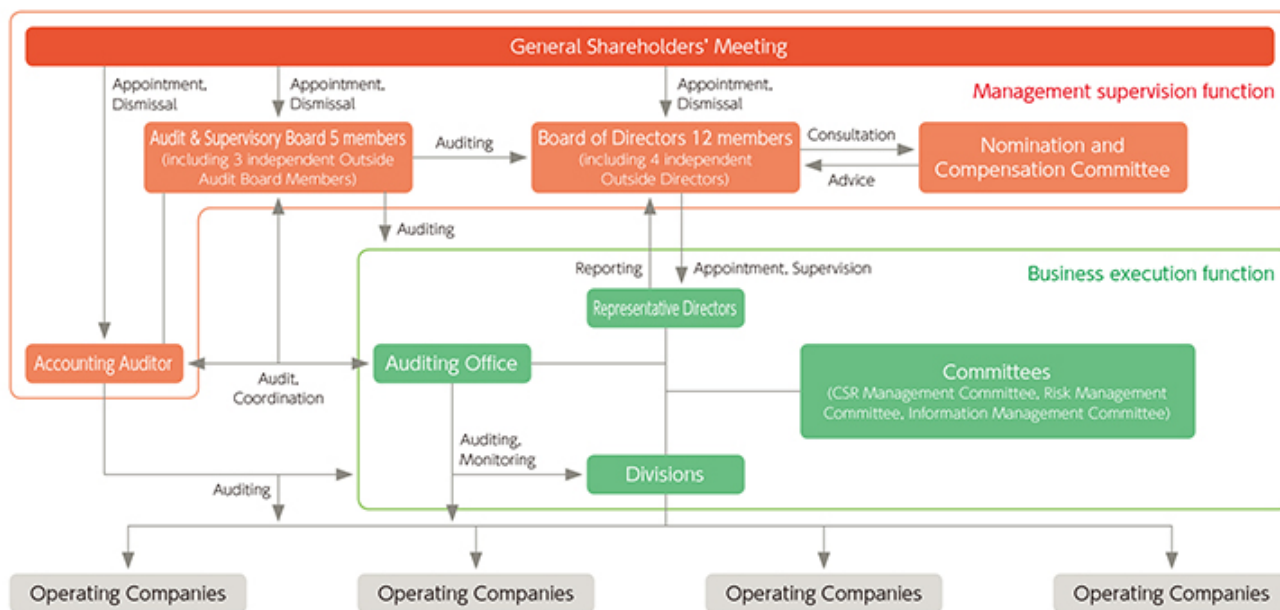
* The number of people is as of the end of May 2018.

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 June 4, 2018)



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, Risk Management Committee, and Information 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

Seven & i Holdings and its Group companies established the CSR Management Committee to carry out, manage, and oversee Groupwide CSR activities. Four subcommittees (the Corporate Ethics and Culture Subcommittee, Consumer Affairs and Fair Business Practices Subcommittee, Environment Subcommittee, and Social Value Creation Subcommittee) were established under the CSR Management Committee as Groupwide organizations that investigate and implement specific measures addressing the five material issues that affect the Group as a whole. Through these subcommittees, we seek to enhance compliance even further and contribute to solving social issues involving stakeholders through our business activities while pursuing sustainable development by both society and the Group from the perspective of ESG (environment, society, and governance).

As one part of Groupwide internal controls, we established a help line for Group employees and business partners at an outside, third-party organization. The officer responsible for the CSR Management Committee periodically reports to the Board of Directors and confirms that status of responses to internal reports.

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, 2018, the committee worked to reduce the Company’s overall risk by advancing and supporting measures to identify shared risks and inherent risk issues for each Group company. This was done through collaboration with each Seven & i Holdings’ division responsible for risk and a feedback system for risk-related information between Seven & i Holdings and the operating companies, with a view to further 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, 2018, the committee strengthened its system for gathering important information from each company in an appropriate and timely manner and collaboratively addressing the information while working to enhance 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 EC website, omni7, safely and securely, all business sites that handle customer personal information in relation to omni7 have acquired ISMS certification (ISO 27001), an international standard for information security management systems (ISMS), reinforced information security, and expanded certified sites as needed.

The committee formulated information security standards to be achieved by the Group and is working to further strengthen information security by promoting initiatives compliant with PDCA cycle methodologies based on the ISMS certification throughout Group companies.

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 its corporate governance is functioning soundly 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, 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

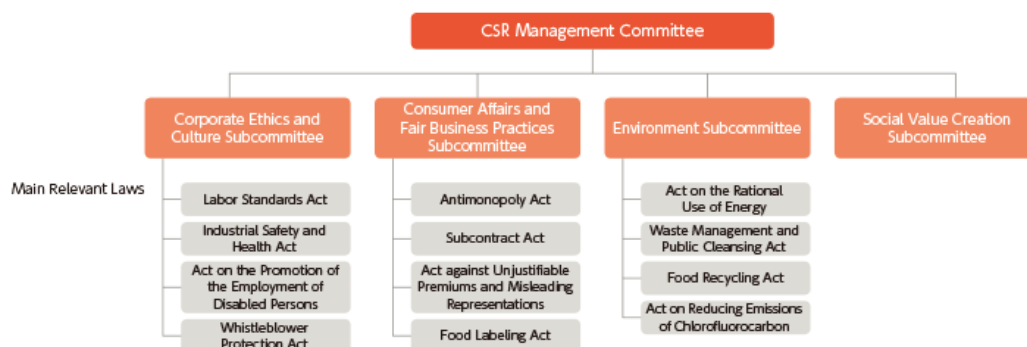
1. Provision of Safe and High-Quality Products and Services
2. Maintenance of Fair and Transparent Transactions
3. Cooperation with Local and International Communities
4. Respect for Human Rights
5. Respect for Diversity and Improvement of Job Satisfaction
6. Preservation of the Assets and Information 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. Relationships with Customers
3. Relationships with Business Partners
4. Relationships with Shareholders and Investors
5. Relationships with Local and International Communities
6. Relationships 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.)

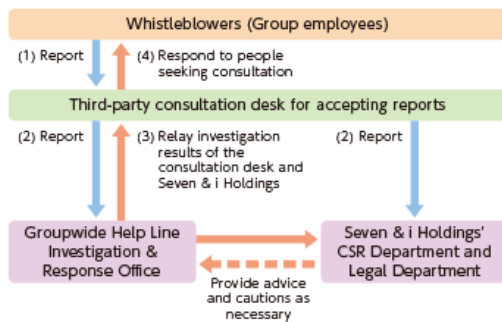
When the Company receives a report, it quickly confirms the facts, corrects any violations that are found, and strives to prevent a recurrence. To create an environment that facilitates reporting, reports can be made anonymously, while both employees and business partners are bound by operating regulations 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

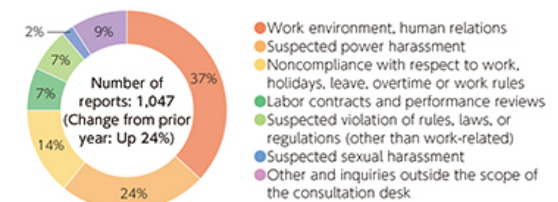
The Groupwide Help Line serves employees, Directors and Audit & Supervisory Board Members, and retirees and their families. To ensure that all employees are aware of the system and its contact points, it is explained in employee training and posters are put up in every workplace and store. Additionally, 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 28, 2018

Breakdown of Internal Reports

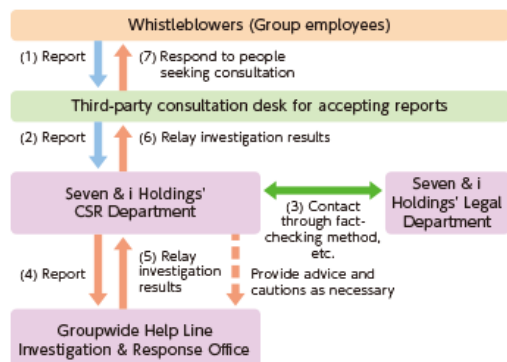


* For the Groupwide Help Line, some Group companies have their own internal reporting consultation desks in addition to third-party consultation desks. Moreover, operating companies in North America and China also have their own internal reporting systems to receive reports and consultations from employees.

Business Partner Help Line

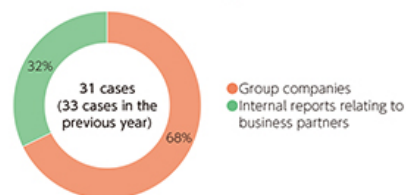
The Business Partner Help Line is provided for Directors and Audit & Supervisory Board Members, employees, and former employees of domestic Group companies' business partners. To ensure that business partners are fully aware of the help line system and its points of contact, we explain it at briefings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

Procedural Flow for the Business Partner Help Line



Number of reports for the fiscal year ended February 28, 2018

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, starting in the fiscal year ended February 28, 2017, training via e-learning (some employees viewed DVDs) has been periodically 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. Groupwide 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.

› [The Privacy Policy can be found here](#)

› [The 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, 2018

(Millions of yen)

	Japan	North America	China
Tax payment	63,560	31,592	673
Operating income	314,700	75,626	1,320
Revenues from operations	3,907,835	2,017,092	113,992

Human Rights Initiatives

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

Philosophy and Policies on Respect for 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*, 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 personnel and CSR promotion 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, 2018, a total of 106 training sessions were held, and a total of 2,523 employees underwent training. In order to further support training by Group companies, Seven & i Holdings used “Human Rights – Let’s Start by Learning,” a handbook published in February 2017, to raise employee awareness.



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 on the intranet website, and are awarded prizes. The contest was held for the 27th time in the fiscal year ended February 28, 2018, and 73,873 proposals were received. This marks the second consecutive year that more than 70,000 proposals were received and this year’s number of proposals was 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. In the fiscal year ended February 28, 2018, CSR audits were conducted at 215 plants in 13 countries.

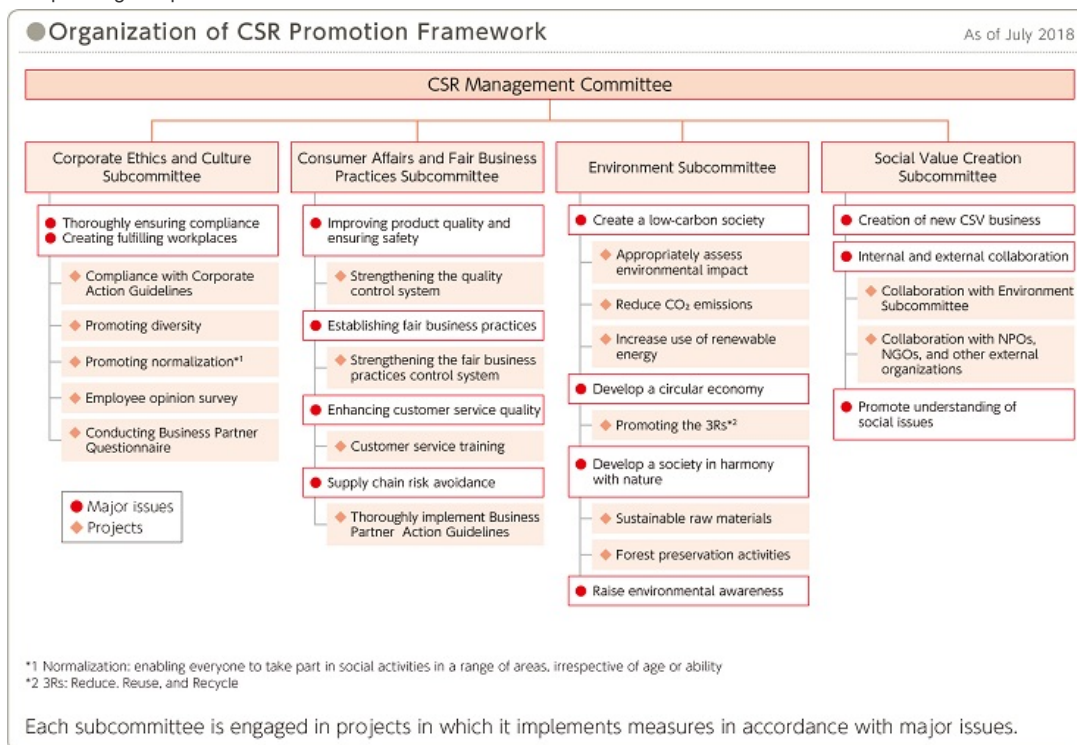
[> Further details about CSR audits of business partners can be found here](#)

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.

CSR Promotion Framework

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, individual Group companies revised their guidelines (employee codes of conduct) in accordance with the Corporate Action Guidelines, which were revised in September 2016.

A biennial opinion survey has been conducted of Group employees since 2013 with timely confirmation of progress at each company regarding initiatives for ensuring comprehensive compliance as one of its objectives. Separate from this survey, the Seven & i Group also conducts a Business Partner questionnaire to confirm that Group employees are acting in accordance with the Corporate Creed and Corporate Action Guidelines in their dealings with business partners.

Group companies share information on the progress made by employees of Group companies and accomplishments of measures to improve the issues identified by these two surveys. Through these efforts, we seek to improve on those issues.

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.

➤ [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 CO₂ emissions and make effective use of limited resources, among other goals.

With regard to CO₂ emissions, we set targets for expanding the use of renewable energy by stores, assess environmental loads at each stage of the supply chain from product development through production, shipment, sales, and consumption, and take steps to reduce emissions.

To make effective use of limited resources, we are making a phased shift to environmentally-conscious containers and packaging for Seven Premium original products with a focus on promoting foodstuff recycling and reducing waste. We are also expanding the use of raw materials that have received certification for consideration of sustainability.

In addition, the Seven & i Group possesses social infrastructure in the form of store networks in various regions. We are making use of this business characteristic by installing automated plastic bottle collection machines in stores in 2012 and taking measures to encourage recycling of domestic resources and raise customer awareness regarding recycling. The collected bottles are recycled in Japan and re-used as packaging for products sold by the Seven & i Group.

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

Based on an awareness that efforts to solve social issues will lead to new business opportunities as the Group expands its business domains and related social problems become increasingly varied, the Social Value Creation Subcommittee takes action to create business that generates social and economic value (creating shared value; CSV).

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 and execute 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, set up similar structures at each Group company, is building internal promotion frameworks, and conducting periodic training for relevant personnel at a Group companies to further expand the scope of action.

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 FY2017 Targets	Results for FY2017	Evaluation	Plans for FY2018
Corporate Ethics and Culture Subcommittee			
① Thoroughly ensuring compliance			
<ul style="list-style-type: none"> 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 & i Holdings Corporate Action Guidelines in 2016 	<ul style="list-style-type: none"> Conducted e-learning on CSR in March 2017 and on human rights (harassment) in November 2017 	○	<ul style="list-style-type: none"> Conduct e-learning on LGBT issues, ESG, and the SDGs tailored to recent social developments Conduct e-learning on harassment (practical application)
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Collaborated with the product divisions of operating companies to incorporate intellectual property into existing training and e-learning according to business activities and raise employee awareness of intellectual property 	○	<ul style="list-style-type: none"> Continue intellectual property training incorporated into training and e-learning to ingrain understanding, investigate further training on intellectual property, and enhance understanding further Designate November as Compliance Reinforcement Month and conduct training and other programs
② Creating fulfilling workplaces			
<ul style="list-style-type: none"> Conduct the third employee opinion survey 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 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 	<ul style="list-style-type: none"> Conducted the third employee opinion survey in May 2017 Held meetings in August and September 2017 to discuss issues and propose improvement measures, and each company identified new issues Each company shared information on the progress of activities in November and December 2017 	○	<ul style="list-style-type: none"> Review employee opinion surveys, change to a survey for understanding employee engagements, and implement in FY 2018
<ul style="list-style-type: none"> Strengthen support for operating companies that permanently employ at least 101 workers by hiring people with disabilities, ahead of the reduction of the statutory employment rate for people with disabilities from April 1, 2018 Maintain or exceed the statutory employment rate for people with disabilities at the five applicable Group companies Conduct education using the Human Rights Awareness Handbook booklet and DVD 	<ul style="list-style-type: none"> Shared information on the status of hiring, determination of hiring rates, and promotion of employment of persons with disabilities at relevant operating companies Achieved employment rate for people with disabilities of 2.66% (Group applicable employment rate) Produced a Human Rights Awareness Handbook and DVD and conducted employee training 	○	<ul style="list-style-type: none"> Share information among and provide support to operating companies in order to further promote the employment of persons with disabilities * Produce a DVD on the hiring and retention of persons with disabilities Maintain or exceed the statutory employment rate for people with disabilities at the five applicable Group companies
<ul style="list-style-type: none"> Continue cognitive impairment supporter training courses at operating companies, aiming to have around 26,000 supporters Groupwide 	<ul style="list-style-type: none"> Certified approximately 30,000 cognitive impairment supporters on a cumulative basis (as of end of February 2018) 	○	<ul style="list-style-type: none"> Certify approximately 35,000 cognitive impairment supporters group-wide on a cumulative basis

Major FY2017 Targets	Results for FY2017	Evaluation	Plans for FY2018
<ul style="list-style-type: none"> ● Launch the MY HEALTH WEB smartphone app service ● Continue to conduct stress checks ● Continue to provide healthy, low- sodium dishes at the employee cafeteria ● Continuously implement health campaigns 	<ul style="list-style-type: none"> ● Began distribution of the MY HEALTH WEB smartphone app in May 2017 ● Continuously conducted stress checks for all employees ● Continued to offer low-sodium ramen at employee cafeterias in July 2017 ● Conducted an "Afternoon Nap and Massage Revitalization" campaign in September 2017 ● Received 2018 Health and Productivity Management Organization certification 	○	<ul style="list-style-type: none"> ● Encourage use of MY HEALTH WEB ● Conduct "Learn from Apps" health courses ● Conduct a "Iki-Iki Mental Health" training courses ● Conduct a "Good Digestive Health through Diet" campaign ● Hold "Dieting for Everyone" courses ● Conduct a campaign encouraging employees to undergo breast cancer exams ● Conduct training on protecting oneself during a disaster
③ Diversity Promotion Project			
<ul style="list-style-type: none"> ● Strengthen training of female candidates for management positions 	<ul style="list-style-type: none"> ● Percentage of female managers (section managers and team leaders) reached 29.3% (end of February 2018) ● Held four seminars to provide networking opportunities to female employees who seek to become managers and to enhance business skills 	○	<ul style="list-style-type: none"> ● Set KPI to increase the percentage of female managers to 30% by 2020 and review progress each fiscal half ● Continue nurturing and bolstering female candidates for management positions
<ul style="list-style-type: none"> ● Continue to conduct awareness raising activities targeting the executives and managers of Group companies ● Promote use of childcare leave among male employees 	<ul style="list-style-type: none"> ● Held three diversity management seminars ● Raised awareness regarding the participation of men in childcare. Produced and displayed posters encouraging men to take childcare leave targeting managers and employees who take leave 	○	<ul style="list-style-type: none"> ● Continue to conduct awareness raising activities targeting the executives and managers of Group companies ● Encourage men to participate more in housework and childcare (cooking classes for men and so on)
<ul style="list-style-type: none"> ● Disseminate basic knowledge on balancing work and family care responsibilities 	<ul style="list-style-type: none"> ● Held one nursing care seminar and one nursing care community event 	○	<ul style="list-style-type: none"> ● Raise understanding of programs and achieve zero employee separations due to the need to provide nursing care ● Enhance the dissemination of information to employees currently involved in nursing care
<ul style="list-style-type: none"> ● Continue to distribute internal notices related to diversity promotion and work style innovation ● Conduct awareness-raising activities regarding LGBT issues ● Aggressive external communication 	<ul style="list-style-type: none"> ● Continued presenting information on role models in monthly internal notices and ran a special feature on LGBT issues ● Held an LGBT seminar for managers ● Ranked third in the "100 Best Companies Where Women Play an Active Part" ranking by Nikkei Woman magazine 	○	<ul style="list-style-type: none"> ● Promote diversity and inclusion and continue internal publicity relating to work-life synergies ● Develop appropriate responses to LGBT customers and employees at worksites ● Aggressive external communication
–	–		<ul style="list-style-type: none"> ● Review personnel systems with the aim of creating environments that facilitate work

Major FY2017 Targets	Results for FY2017	Evaluation	Plans for FY2018
Consumer Affairs and Fair Business Practices Subcommittee			
① Improving product quality and ensuring safety			
<ul style="list-style-type: none"> Advance the development of a Groupwide quality control system <ul style="list-style-type: none"> a. Develop the foundations of quality control departments at each company (personnel structure and business domains) b. Establish reporting lines for use in the event of incidents c. Formulate guidelines for responding to incidents Risk management training (Implement training to enhance specialized skills for quality control managers) 	<ul style="list-style-type: none"> a. Increased personnel at Group companies and established an independent quality control department at each company b. Created structures for prompt notice to managers via relevant divisions within each company in the event of a major quality control incident and for providing information to Seven & i Holdings management c. Established guidelines on whether affected products should continue to be sold, methods of notifying customers who purchased the products, and whether incident reports are needed Conducted risk management training on defects under the Product Liability Act, harm scenarios, risk assessment, risk mitigation methods, and other topics 	○	<ul style="list-style-type: none"> Develop foundations and reinforce organization and personnel at each Group company
<ul style="list-style-type: none"> Plan to conduct basic, intermediate, and advanced training for apparel products (400 employees) Continue undergoing testing for QC inspection and TES certification 	<ul style="list-style-type: none"> Conducted basic, intermediate, and advanced training for 302 employees Three employees passed QC certification and 20 passed TES certification 	△	<ul style="list-style-type: none"> Conduct MD training (textiles, sundries, Pharmaceuticals and Medical Devices Act, etc.) Produce a handbook to enhance the knowledge of employees responsible for apparel and household products
<ul style="list-style-type: none"> Encourage responses by Group companies in systematize HACCP <ul style="list-style-type: none"> a. Address in-store food preparation b. Address manufacturing plants from a supply chain perspective 	<ul style="list-style-type: none"> Time schedules were proposed for acquisition of certification in each business format and for each operating company for HACCP systemization in FY 2020 and progress was managed HACCP briefings were conducted in relevant divisions 	○	<ul style="list-style-type: none"> Promote acquisition of certification pursuant to international standards by plants that manufacture original products to support HACCP systemization Establish a foodstuffs sanitation and management handbook
② Establishing fair business practices			
<ul style="list-style-type: none"> Hold meetings with Group companies as necessary to share information, identify issues, and implement remedial measures 	<ul style="list-style-type: none"> Investigate the status of compliance with the Subcontracting Act by Group companies, clarify rules regarding the allocation of expenses when stores request support, and implement remedial measures 	○	<ul style="list-style-type: none"> In preparation for the consumption tax rate increase, monitor the status of compliance with the consumption tax imputation methods and promote remedial measures
<ul style="list-style-type: none"> Conduct joint training for new newly appointed product managers in March and October Conduct periodic e-learning <ul style="list-style-type: none"> June: Product labeling September: Premiums November: Antimonopoly Act (abuse of superior position, Subcontracting Act) 	<ul style="list-style-type: none"> Conducted training in March and October new newly appointed product managers on abuse of dominant bargaining position and labeling <ul style="list-style-type: none"> March: 108 persons at 14 companies October: 134 persons at 15 companies Status of e-learning implementation: <ul style="list-style-type: none"> June: Two courses on foodstuff labeling and apparel/household product labeling <ul style="list-style-type: none"> Participants: 1,950 persons at 17 companies Apparel/household product: 1,822 persons at 13 companies September: Course on premium labeling <ul style="list-style-type: none"> Participants: 3,057 persons at 22 companies November: Course on the Antimonopoly Act and Subcontracting Act <ul style="list-style-type: none"> Participants: 3,504 persons at 24 companies 	○	<ul style="list-style-type: none"> Conduct joint training for new newly appointed product managers in March and October on abuse of dominant bargaining position, the Subcontracting Act, and display-related laws Conduct e-learning <ul style="list-style-type: none"> May: Labeling, premiums, etc. September: Consumption tax imputation method October: Antimonopoly Act (abuse of dominant bargaining position, Subcontracting Act)

Major FY2017 Targets	Results for FY2017	Evaluation	Plans for FY2018
Environment Subcommittee			
① Understanding and reducing environmental impacts			
<ul style="list-style-type: none"> Implement third-party trials at Category 1 for SEJ, which has a large amount of Scope 3 emissions 	<ul style="list-style-type: none"> Implemented third-party trials at Category 1 for SEJ 	○	<ul style="list-style-type: none"> Obtain new third-party certification of IY Foods CO2 emissions
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Installed small plastic bottle recovery machines at 300 7-Eleven stores in the fiscal year ended February 28, 2018 	○	<ul style="list-style-type: none"> Expand the recovered plastic bottle recycling scheme
② Forest conservation activities			
<ul style="list-style-type: none"> Begin Nagano Seven Forest preservation activities at a new location in Nagano, following the expiry of the agreement for the current Nagano Seven Forest 	<ul style="list-style-type: none"> Renamed the forest owned by Shinanomachi in Nagano Prefecture the "Seven Forest" and started preservation activities 	○	<ul style="list-style-type: none"> Conduct second forest preservation activities and propose and implement a 10-year forest preservation plan
<ul style="list-style-type: none"> Introduce environmentally friendly packaging materials for 740 Seven Premium products 	<ul style="list-style-type: none"> Introduce for a total of 950 products 	○	<ul style="list-style-type: none"> Introduce environmentally friendly packaging materials for an additional 950 Seven Premium products (for a total of 1,900 products)
③ Raising environmental awareness/sharing information			
<ul style="list-style-type: none"> Have 1,700 employees pass the Certification Test for Environmental Specialists 	<ul style="list-style-type: none"> Total number of employees who passed: 1,713 (cumulative total: 4,151) 	○	<ul style="list-style-type: none"> Have 2,000 employees pass the Certification Test for Environmental Specialists (for a cumulative total of 6,151)
Social Value Creation Subcommittee			
① Promote understanding of CSV			
<ul style="list-style-type: none"> Create opportunities to promote understanding of CSV 	<ul style="list-style-type: none"> Recommended sales of environmentally friendly and ethical products and promoted understanding of business geared towards solving social issues 	△	
② Promote understanding of social issues			
<ul style="list-style-type: none"> Create opportunities for employees to gain a deep understanding of the social issues underlying the five material issues that the Group should address 	<ul style="list-style-type: none"> Provided opportunities to deepen understanding of social issues through participation in volunteer activities and other programs 	○	<ul style="list-style-type: none"> Use opportunities for dialogue such as events for exchanging opinions with outside stakeholders to deepen understanding of social issues local communities where stores are located
③ Create new CSV businesses			
<ul style="list-style-type: none"> Plan, formulate, and execute new businesses originating from social issues at Group companies Consider collaborations led by Group companies and external collaborations with NPOs and business partners 	<ul style="list-style-type: none"> Started offering products and services intended to solve social issues at 18 Group operating companies 	△	<ul style="list-style-type: none"> Create new business through collaboration with outside organizations such as NPOs and NGOs Develop and sell products that use recyclable resources through collaboration with the Environment Subcommittee

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 internal portal site.

Also, starting in the fiscal year ended February 28, 2017, we conducted CSR training via e-learning for all employees at domestic Group companies. In the fiscal year ended February 28, 2018, we conducted e-learning on the fundamentals of CSR, environmental issues, and preventing harassment. We also implemented e-learning on the Antimonopoly Act (abuse of dominant bargaining position), the Subcontracting Act, product labeling, and other topics for all employees who deal with business partners.



Risks and Opportunities Related to Sustainability

Various problems and issues related to the environment and society constitute risks that threaten a company's sustainability, but the act of endeavoring to solve such issues leads to new business opportunities. Seven & i Holdings identifies risks and opportunities related to five material issues, and works to reduce risk levels while striving to realize a sustainable society alongside sustainable corporate growth by creating new business models for solving social issues.

We have therefore created the Corporate Action Guidelines and other policies, and established the cross-group CSR Management Committee and its subcommittees, the Corporate Ethics and Culture Subcommittee, Consumer Affairs and Fair Business Practices Subcommittee, Environment Subcommittee, and Social Value Creation Subcommittee. Specific measures are considered through these committees.

Material Issues, and Main Risks and Opportunities

Material Issue 1

Providing Social Infrastructure for an Aging Society and Declining Population

Risks

- Reduced motivation to visit stores if late in responding to changes in needs associated with the aging society
- Reduction in the number of customers visiting stores due to population declines; etc.

Opportunities

- Increased sales opportunities from creating products for the aging society, and from creating convenient shopping environments and services including online services
- Expanded role in society as social infrastructure and further trust earned from stakeholders; etc.



Reduction of Risk and Creation of Opportunities

- (1) Policy: Corporate Action Guidelines.
- (2) Systems and Mechanisms: CSR Management Committee and its Social Value Creation Subcommittee, Digital Strategy Department.
- (3) Initiatives: Provide shopping support services utilizing the Internet, products based on individual meals, small quantities and convenience, various public services, partnership agreements with municipalities, and services for inbound travelers from overseas (multilingual services).

Material Issue 2

Providing Safety and Reliability through Products and Stores

Risks

- Reduced trust due to product- or store-related accidents or legal infractions
- Operations suspended due to a natural disaster
- Reduced trust from customers due to privacy-related incidents
- Economic loss due to leak of confidential information
- Information system stoppages, etc.

Opportunities

- Expanded sales opportunities from providing new products in line with customer needs, such as products incorporating high levels of safety and quality management and health conscious products
- Provision of social value from quickly resuming operations during disaster situations
- Expanded sales opportunities from CRM strategy that integrates customer information from Group companies



Reduction of Risk and Creation of Opportunities

- (1) Policies: Corporate Action Guidelines, Quality Policy, Basic Policy on Information Security, Privacy Policy, Information Security Standards, Privacy Standards.
- (2) Systems and Mechanisms: CSR Management Committee and its Consumer Affairs and Fair Business Practices Subcommittee and Social Value Creation Subcommittee, Group QC Project, Information Management Committee, Digital Strategy Department, Help Lines (employees and business partners).
- (3) Initiatives: NDF-HACCP operation, development and provision of health-oriented products (no preservative/additives, no trans-fatty acids, low allergen options), release of food product traceability information, information security education.

Material issue 3

Non-Wasteful Usage of Products, Ingredients and Energy

Risks

- Physical damage to stores and distribution networks due to climate change
- Stronger environmental regulations and increased costs
- Increased difficulty of raw material procurement due to climate changes in production regions or resource-related disputes
- Fewer customers if late in responding to increased interest in ethical consumption
- Societal criticism and increased processing costs due to increased waste; etc.

Opportunities

- Reduced costs from energy conservation, reduced waste, recycling, and revised energy mix
- More favorable corporate image from promotion of environmental protection activities
- Increased sales of products oriented to ethical consumption and the environment; etc.



Reduction of Risk and Creation of Opportunities

- (1) Policies: Corporate Action Guidelines, Environmental Declaration, Fundamental Polices Relating to Measures to Contribute to the Prevention of Global Warming, Environmental Guidelines and Environmental Rules, Fundamental Polices Relating to Sustainable Procurement.
- (2) Systems and Mechanisms: CSR Management Committee and its affiliated Environment Subcommittee.
- (3) Initiatives: Introduction of energy efficient facilities, introduction of renewable energies and new energies (hydrogen), introduction of eco-friendly vehicles, package simplification and material revisions, conversion of food waste to feed and fertilizer, recycling-based agriculture, store resource recovery, environmental awareness-raising for employees.

Material Issue 4

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

Risks

- Personnel shortages and increased personnel costs due to decline in working population
- Increased difficulty of securing personnel and damage to social reputation caused by mental health and harassment incidents or overly long working hours

Opportunities

- Increased competitiveness and development of new businesses through promoting diversity management, and acquisition of exceptional personnel
- Increased employee motivation from realization of work-life balance
- Increased labor productivity and reduced costs from utilization of AI, IoT, etc.



Reduction of Risk and Creation of Opportunities

- (1) Policies: Corporate Action Guidelines.
- (2) Systems and Mechanisms: CSR Management Committee and its Corporate Ethics and Culture Subcommittee, Diversity Promotion Project, Help Lines.
- (3) Initiatives: Diversity awareness-raising (seminars for managers and for women), training for managerial candidates (training sessions), introduction of support measures for balancing work with childcare and nursing care responsibilities, promotion of health management, promotion of employment of people with disabilities, promotion of special subsidiaries, support for career education for students.

Material Issue 5

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

Risks

- Product supply suspended due to human rights problem on supply chain, reduced quality, damage to social reputation (spread of rumors)
- Increased difficulty of procuring raw materials due to depletion of fishery resources and other natural resources; etc.

Opportunities

- Stable procurement of high-quality products through rigorous consideration of human rights and the environment on the supply chain
- Increased competitiveness from sustainable raw material procurement, expanded sales opportunities from providing products and services for ethical consumption; etc.



Reduction of Risk and Creation of Opportunities

- (1) Policies: Corporate Action Guidelines, Business Partner Action Guidelines, Basic Policy on Sustainable Procurement.
- (2) Systems and Mechanisms: CSR Management Committee and its Corporate Ethics and Culture Subcommittee and Environment Subcommittee.
- (3) Initiatives: Business partner questionnaires, business partner CSR audits, help line (for business partners), forest conservation activities, use of FSC certified paper, handling of ASC and organic products, briefings on Business Partner Action Guidelines.

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.

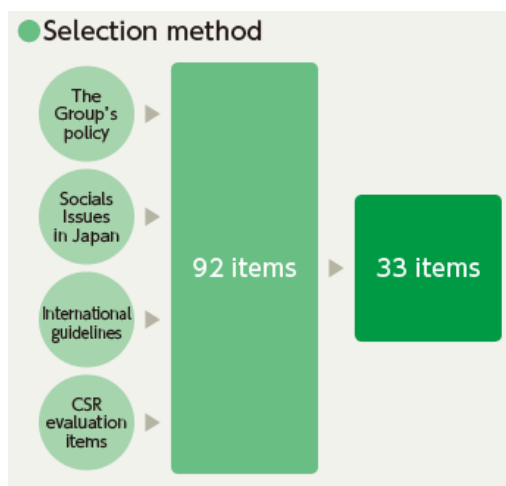
Purpose of Material Issues Determination

- Concentrate on material 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

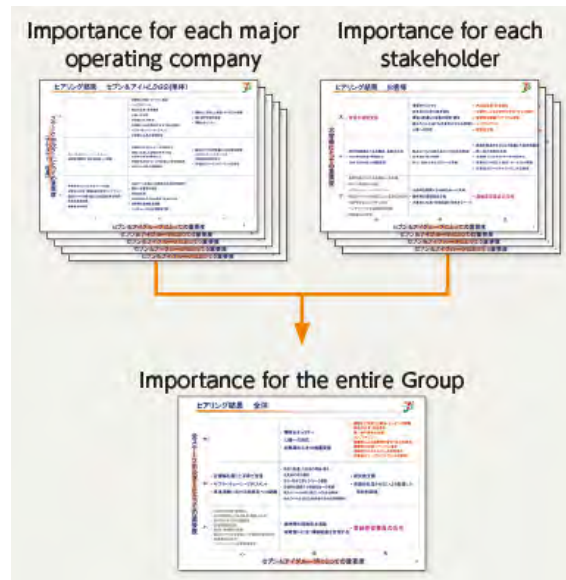
An interview survey in a questionnaire format was conducted with customers, business partners, shareholders and investors, and employees to understand the future expectations and demands of all stakeholders for the Group for the identified social issues. An assessment was made of how much of a priority 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"> Improving product safety Securely protecting personal information, etc.
Business partners	Main business partners of major operating companies	<ul style="list-style-type: none"> Further improvement of reliability throughout the entire value chain through shopping assistance for people who feel inconvenient for shopping Continuing support for disaster areas, etc.
Shareholders and investors	Retail industry analysts	<ul style="list-style-type: none"> Responding to disposal loss Supporting the needs of elderly people
Employees	Executives and employees of major Group companies	<ul style="list-style-type: none"> Responding to population aging throughout the entire Group Pursuing further quality and safety, etc.

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.

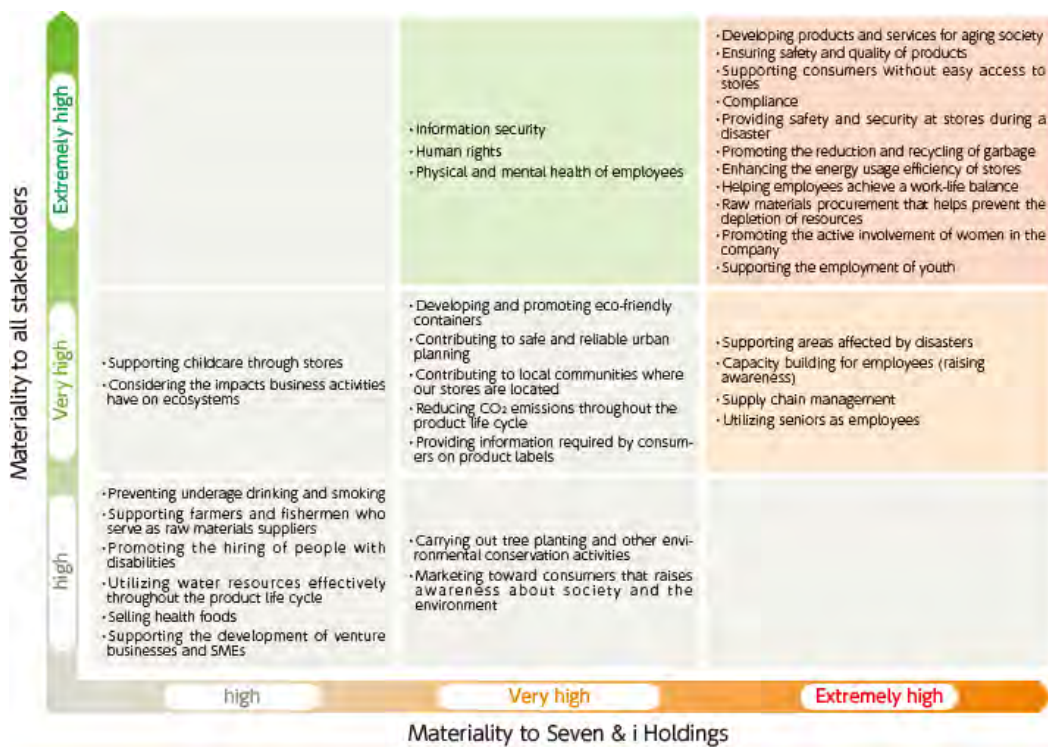


STEP 4 Dialogue with experts

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 in this era with 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 in this era with an Aging Society and Declining Population

Approach to Material Issues

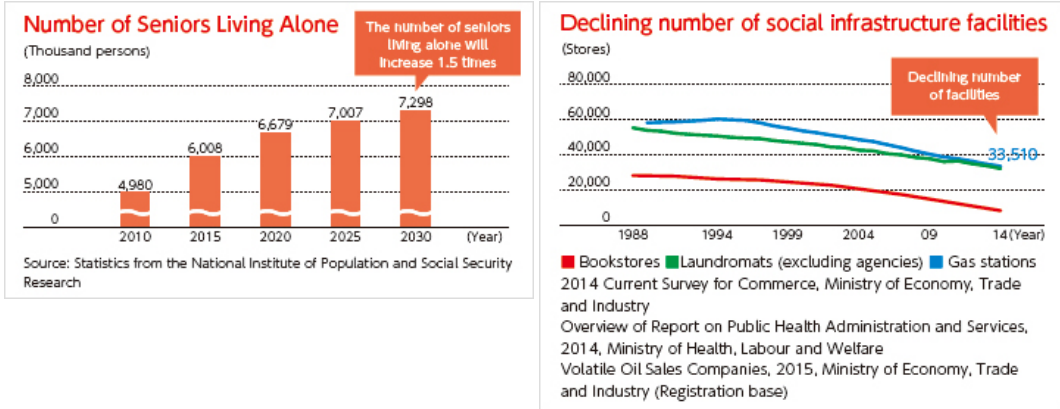
Seven & i Holdings is working to enhance the convenience of shopping while leveraging the unique aspects of its business and some 20,000-store network as a form of social infrastructure to support consumers inconvenienced by shopping and to respond to changes taking place in society. These changes include 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 aging society and declining population trends

Japan is experiencing aging society and declining population trends. 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, the Seven & i Group is providing social infrastructure such as public services to a variety of people, including seniors, and contributing to the achievement of Sustainable Development Goals 9, 11 and 16.



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 feel safe and secure.

[> 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 services for shopping support.



Net Supermarkets

IY operates Net Supermarket at 136 stores (as of February 28, 2018) 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 registration date.

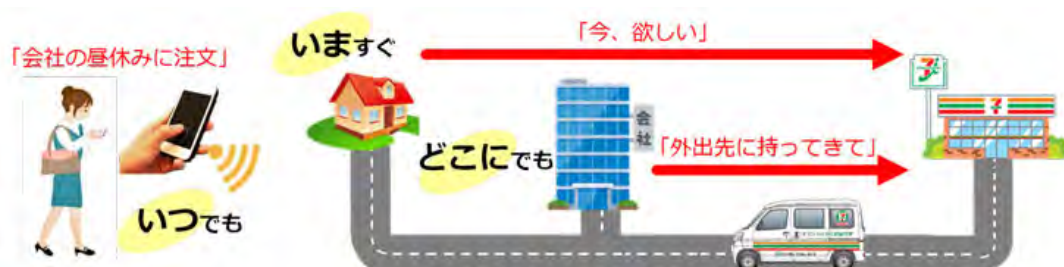
In addition, we opened IY Fresh in November 2017. This joint venture with LOHACO enables customers to order daily necessities from LOHACO and products from Ito-Yokado at the same time (the delivery area is Bunkyō-ku, and Shinjuku-ku in Tokyo as of February 28, 2018, with phased expansion planned).



Net Supermarkets

Online Convenience Stores

SEJ offers a service that allows customers to place orders online using a PC or smartphone for some 2,800 products such as rice balls and boxed lunches handled by its stores and have them delivered to their homes or other designated location in as little as two hours. Trials were started at 25 stores in Otaru, Hokkaido and other locations in October 2017, and the service will be expanded to all of Hokkaido by August 2019. The service will then be rolled out in stages to all 20,000 7-Eleven stores in Japan starting in September 2019.



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 830 "COMS" ultrasmall electric vehicles and SEJ is also moving forward with the introduction of around 2,600 power assisted bicycles (as of February 28, 2018).



Seven RakuRaku Delivery

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

SEJ operates the Seven Anshin Delivery mobile store service at 58 stores in 30 prefectures (as of February 28, 2018). 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 February 28, 2018).



Ito-Yokado Anshin Delivery

Omni7

The Seven & i Holdings Group is working to realize an Omni7 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.



Shopping Support When Delivering Products

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 nationwide (as of February 28, 2018). The service provides products with particular attention to taste and quality for those who want to eat healthily. Meals are ordered by telephone or online by customers who feel inconvenienced by daily meal preparation. The service starts with a single day's meals, is available 365 days a year, and provides meals the day after an order is placed. Meals can be delivered to the customer's home or other specified location, or picked up at a 7-Eleven store.

[> For more details about the Seven-Meal service](#)

Developing Products and Services that Make Meal Preparation Easy

One of the services offered by SEJ as a part of Seven-Meal is "Ingredient Sets," cooking kits for set menus that include a main dish and side dish along with recipes that can be fully prepared in about 20 minutes. The sets, which can be ordered starting from one day for one person, are available in Hokkaido and the Kanto region (as of February 28, 2018). The Ingredient Sets do not contain any preservatives or artificial colors in the main ingredients or condiments, and since the ingredients come pre-cut, cooking times are short. Each meal contains at least 120 g of vegetables, and various menu options that are nutritionally balanced and healthy can be ordered.

In addition, easily-prepared meal kits from Ito-Yokado's IY Fresh service are also sold. These services have been well received by families with two working parents who have little time, as well as single-occupant households who don't want to waste food.



An Ingredient Set from Seven-Meal



A Meal Kit from IY Fresh

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 elderly people and so on 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, 2017	As of February 28, 2018
Seven-Eleven Japan	76	91
Ito-Yokado	27	42
Sogo & Seibu	9	9
York-Benimaru	4	8
York Mart	1	2
Seven & i Food Systems	1	1
Total	118	153



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-Benimaru, and other Group companies propose menus using local products and ingredients, helping to support regional revitalization by promoting the appeal of the local area.



Oniku Tappuri! Pork Miso Soup sold at 7-Eleven stores in the Nagano region



"Fukui Specialty Food Fair" held at the 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 multifunctional copier machines. Agreements for this service are in place with 507 municipalities (as of February 28, 2018). This service is currently being expanded, as family register certificates can now be issued for 340 municipalities and tax certificates for 342. (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.

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 motor vehicle inspection.) "1 DAY Insurance" providing automotive insurance coverage in one-day increments has been available at all 7-Eleven stores since September 2015, and "1 DAY Leisure Insurance" that provides necessary accident coverage when needed has been available since April 2018. 7-Eleven will continue to support the thriving lifestyles of customers by offering products tailored to customer needs.



Multifunctional copier machines can copy print, issue various types of certificates, and even issue insurance policies.

Bicycle Sharing

SEJ has started using bicycle parking spaces on store grounds as sites for renting and returning shared bicycles. The areas will be expanded in stages, and SEJ plans to have some 5,000 bicycles in place at 1,000 stores in the Tokyo Metropolitan region and regional cities by the end of FY2018. This program was also launched at Ito-Yokado in June 2018.

Bicycle sharing allows for bicycles to be rented from any of multiple stations within a certain region. After use, a bicycle need not be returned to the original location and can be returned to the station closest to the user's destination. Bicycle sharing is expected to supplement public transportation in areas that lack adequate transportation and will play an important role as infrastructure.



A store with a bicycle sharing site

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, 2018, polling booths were set up in 21 Ito-Yokado stores and four Sogo & Seibu stores, and election promotion activities were conducted in the stores, such as displaying posters, in-store announcements and printing the election date on receipts.



A polling booth set up in an Ito-Yokado 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

The Seven & i Group 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 29,623 as of February 28, 2018, achieving the target of 26,000. We will continue to strengthen our efforts to develop cognitive impairment supporters.

Number of Cognitive Impairment Supporter Training Course Takers

	FY2015	FY2016	FY2017
Total	16,554	24,029	29,623



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 February 28, 2018). 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. The company is working to develop products in response to customer opinions and comments and created a pushcart for seniors, known as the “Silver Car,” that can easily be pushed over uneven surfaces and has been well received by customers.

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



The Silver Car pushcart for seniors that can be pushed over uneven surfaces

Services for Foreign Travelers

The Seven & i Group launched tax-free services at certain stores within every Group company in 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 March 31, 2018, we have concluded agreements with six local governments, and we plan to continue expanding this initiative.

ATMs 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 on the phone. 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 its operability. 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 and 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

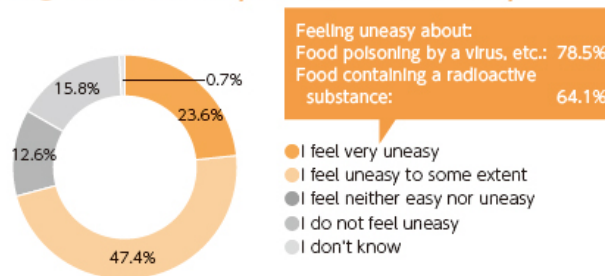
[> Quality Policy](#)

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



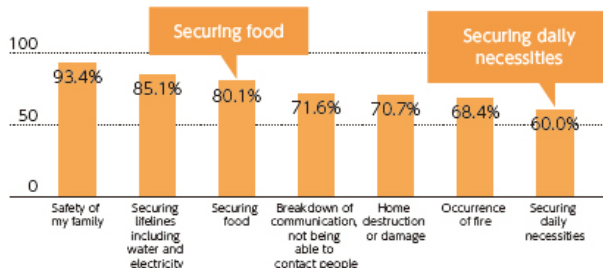
Source: Results of the report entitled Awareness About Food Safety (2015)
Consumer Affairs Agency

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 & i Holdings executive officer in charge of Corporate Communication.

Contribution to SDGs

By tackling this priority issue, Seven & i Group 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 2, 3, 9, 11 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 Quality Control Systems

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 10 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 system with a dedicated department that can respond to incidents objectively.
2. A system 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 HACCP*1 (Hazard Analysis and Critical Control Point) 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)*2. Moreover, Seven-Eleven Japan (SEJ) is conducting audits to maintain the level of quality management even after the acquisition of certification. SEJ also holds study sessions on food allergies for daily food processing plants to deepen understanding of allergy onset mechanisms and symptoms and to promote the creation of food allergy management systems.

*1 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.

*2 Nihon Delica Foods Association (NDF): The NDF was formed in 1979 to improve hygiene quality management levels at daily food manufacturing facilities and to eliminate region-based quality differences.

[> For more details about SEJ initiatives \(in Japanese\)](#)



Acquisition of JGAP Certification

For our private brands Fruits and Vegetables with Traceability at Ito-Yokado, we are working to acquire the Japan Good Agricultural Practice (JGAP) certification, an agricultural production process management technique, 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 29 locations as of February 28, 2018, and efforts will be made for further certification going forward.

[> For more details about Ito-Yokado initiatives \(in Japanese\)](#)

Acquisition of ISO 22000 Certification

York-Benimaru Co., Ltd. acquired certification under ISO 22000, an international food safety management system, at its Otsuki Store in Koriyama City, Fukushima Prefecture.

Going forward, York-Benimaru will use the experience of acquiring ISO 22000 certification to introduce HACCP systems at all stores while training store employees. The company will also work to provide greater safety and confidence to customers regarding food products and enhance product quality in all stages from procurement to sale.



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.

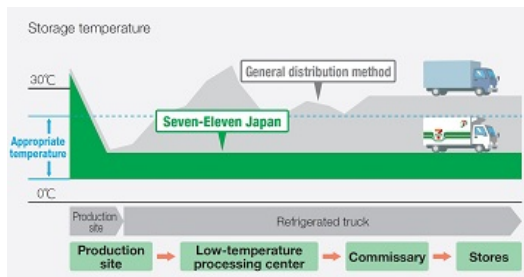
In hygiene management, priority is placed on freshness management that is easy to understand and can be performed by anyone. The QC Office conducts checks at stores, and random checks of store hygiene are also conducted by a third-party hygiene inspection organization (wipe inspections). Store employees undergo periodic hygiene management training to raise hygiene management levels.

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



Introduction of Cold Chains

Various vegetables are used in 7-Eleven's original daily foods (rice balls, sandwiches, stuffed bread, salads, delicatessen items, noodles, and so on), and more than 90% of those vegetables are produced in Japan. Freshness is essential for good taste, and for this reason, fresh domestic vegetables are used. We began introducing cold chains (low-temperature distribution networks) in 2005 for low temperature transportation and processing in order to maintain high levels of freshness of domestic produce from harvesting in the field to delivery to stores. Harvested vegetables are consistently maintained at low temperature in delivery vehicles, at sorting centers and processing factories, and until placement on store shelves. In addition, the active use of domestic produce in regions close to where it was harvested reduces energy use in transportation.



Cold chains (low-temperature distribution networks)

Inspection for Radioactive Substances

In response to an increase in inquiries since the Great East Japan Earthquake, the Seven & i Holdings Group voluntarily conducts inspections to complement the monitoring 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 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 substances 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 \(in Japanese\)](#)

[> For results of the inspections at York-Benimaru \(in Japanese\)](#)

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 Fresh 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 Fresh Foods with Traceability products on the IY website using a PC or smartphone. As of February 28, 2018, 233 items are handled under the Fresh 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. As of February 28, 2018, we are handling about 30 product items under this system.

[> For more details about IY initiatives \(in Japanese\)](#)

[> For more details about York-Benimaru initiatives \(in Japanese\)](#)

Producer Information Disclosure Methods (Example from IY)



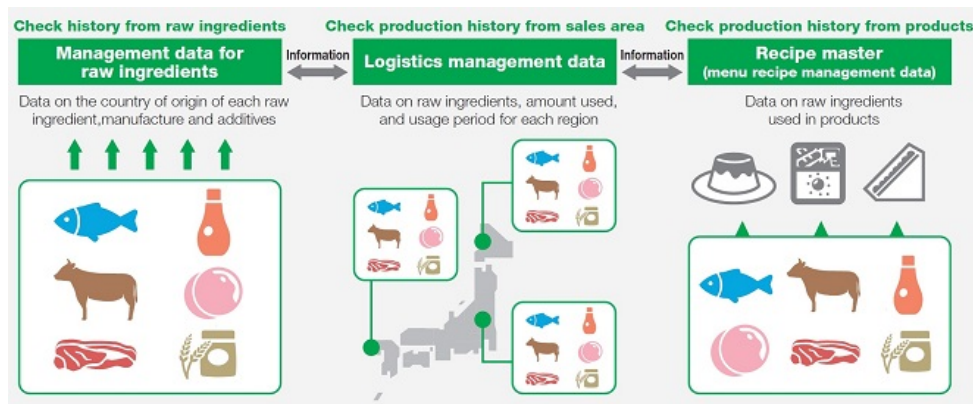
Centralized Management of Production Records

SEJ uses an average of 40 different food materials (including seasonings) per daily food product item, which includes rice and delicatessen items. 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 \(in Japanese\)](#) 

SEJ's Raw Material Production Record Management Framework



Material Issue 2 Providing Safety and Reliability through Products and Stores

Consideration for 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	2018
1.86g	0.18g	0.15g	0.11g

[> For more details about SEJ initiatives \(in Japanese\)](#) 

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)

Consideration for Health

SEJ adopted "Good Health Starts with this Hand" as a new catchphrase and expanded the roll-out at 7-Eleven stores nationwide of products that pay particular attention to safety, reliability, and health starting in March 2018. In response to rising demand for healthy foods, the "Good Health Starts with this Hand" logo is placed on products that contain dietary fiber equal to that in a serving of lettuce and contain at least one-half of the daily requirement of vegetables,* and stronger appeals of these products are being made to customers. SEJ plans to expand product categories and lineups in the future.

※The Healthy Japan 21 (Secondary) guideline for vegetable consumption is an average of 350 g per day.



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.

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 ingredients 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, we revised Denny's restaurant menus in September 2017 to provide allergy information (use of seven designated ingredients) in all menu books used in each time slot. Furthermore, in addition to posting information on our website, in July 2017 we placed tablets in all restaurants so customers can conduct searches regarding allergens (specified ingredients and equivalent items) in each menu item. These tablets are easy to use and enable customers to check 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 \(in Japanese\)](#)

> [For more details about Denny's initiatives \(in Japanese\)](#)

Sales of Products with Food Allergy Considerations

Ito-Yokado created “food allergy response product” zones in 66 stores (as of February 28, 2018) so that customers with food allergies can eat products with confidence. In addition, parts of processed food sale areas have been transformed into “Health Roads” with low-sugar and gluten-free products, health-related products, and allergen-free products at 13 stores (as of April 30, 2018).

Cakes without designated ingredients include the “Healthy Fruitcake” available as a birthday cake and a rice flour and soy bean cream cake available at Christmastime by reservation.

[> For more details about IY’s initiatives \(in Japanese\)](#)



The “Health Road” is an area for low-sugar and gluten-free products



A Healthy Fruitcake

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.

Denny’s restaurants have introduced tablets that customer can use to search information on the use of designated ingredients and equivalent items, and all menus used in each time slot contain information on the use of allergens (seven designated ingredients).

[> For more details about Denny’s initiatives \(in Japanese\)](#)



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 \(in Japanese\)](#) 

> [Information on customer feedback at IY stores can be found here \(in Japanese\)](#) 

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 \(in Japanese\)](#) 

Material Issue 2 Providing Safety and Reliability through Products and Stores


Information Security and Personal Information Protection

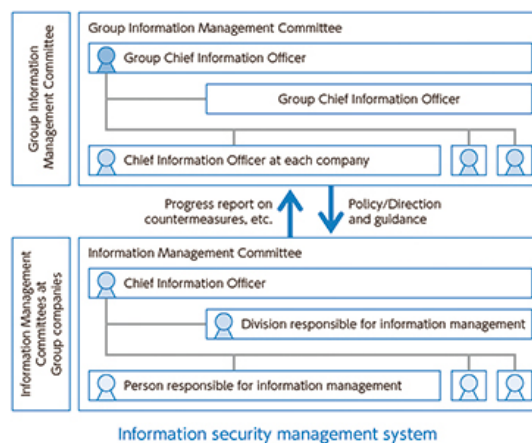
Seven & i Holdings positions the appropriate protection and security of information assets handled by the Group as an important priority and social responsibility of its management and operations and as mandatory for all executives and employees. We strictly manage personal information received from 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 PCIDSS certification acquisition can be found here \(in Japanese\)](#) 



Information security management system

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 cyberattacks. We also provide educational tools for use 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.

Cyberattack Measures

Seven & i Holdings has established the 7&i Computer Security Incident Response Team (7&i CSIRT) to respond to external cyberattacks 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 transmit this information to 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, group training twice a year 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, 2018, 238 employees at 14 companies underwent this training. In addition, e-learning is conducted for Group personnel involved in procurement.

In the fiscal year ended February 28, 2018, 10,333 employees from 26 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 (SS 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, shoplifting, and designated fraud, 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 (those under the age of 20 years), for example, and SEJ also provides information to raise awareness of compliance and crime prevention at franchised stores through “SS Activity Notices” issued monthly.



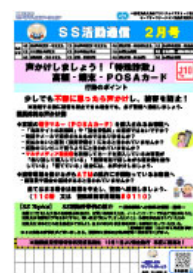
Activities are publicized using posters



Preventing the sale of alcohol and tobacco to minors

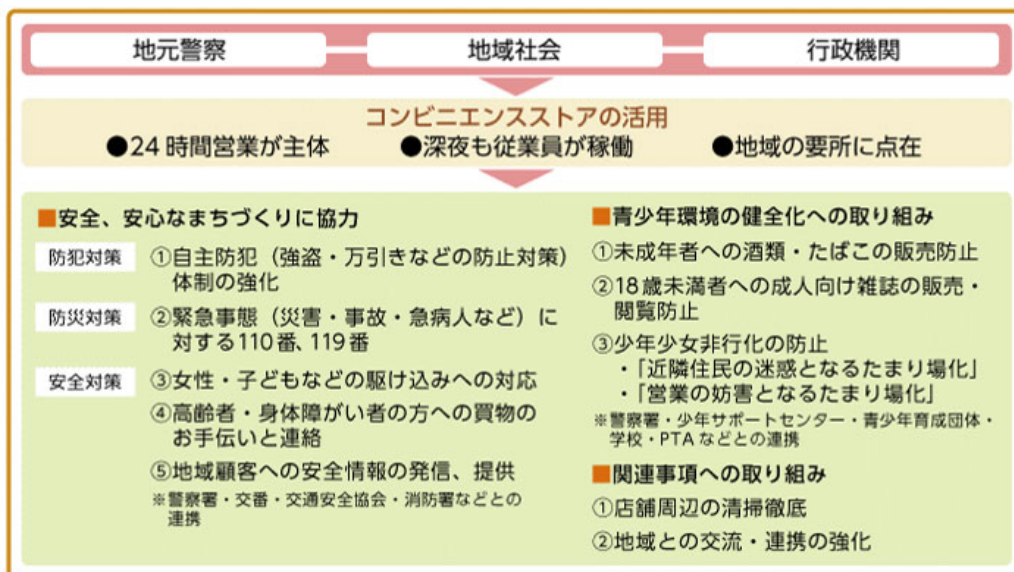


Preventing the sale of adult magazines to minors



An SS Activity Notice

セーフティステーション活動の概要



> [The "SS Space" on the Japan Franchise Association \(JFA\) website](#)

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 preserve community lifelines 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, during the 2016 Kumamoto Earthquakes 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 customer awareness of disasters.

Cooperation with Local Government During Disasters

SEJ and Denny's, which is managed by Seven & i Food Systems, have registered stores and restaurants in prefectures with which agreements have been executed as Disaster Support Stations. In the event of a large-scale disaster, these sites will provide tap water, restroom facilities, and information to the extent possible to persons who are unable to return to their homes.



A Disaster Support Station sticker

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.



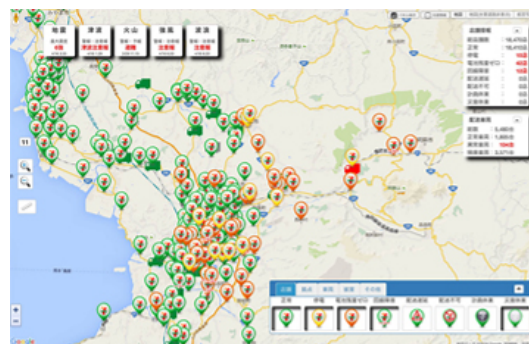
Emergency telephone



Free In-Store Wi-Fi Service Seven Spot

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*1 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*2, 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

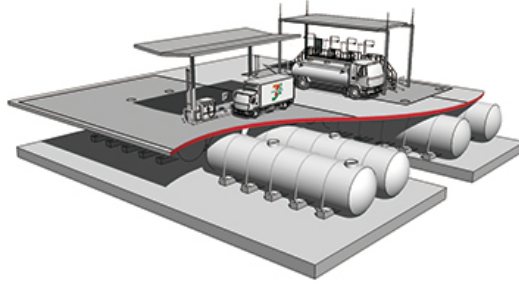
*1. Visual Information Emergency Web

*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. 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 2018, there were 270 sponsor and participant companies and approximately 2,300 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

	Launch	No. of co-sponsors and participating companies	No. of products
1st Round	November 7, 2011	22 Companies	Approx. 200
2nd Round	March 5, 2012	58 Companies	Approx. 600
3rd Round	July 17, 2012	81 Companies	Approx. 800
4th Round	November 19, 2012	109 Companies	Approx. 1,000
5th Round	March 4, 2012	123 Companies	Approx. 1,200
6th Round	July 9, 2013	160 Companies	Approx. 1,300
7th Round	October 9, 2013	188 Companies	Approx. 1,400
8th Round	March 4, 2014	219 Companies	Approx. 1,500
9th Round	July 14, 2014	239 Companies	Approx. 1,710
10th Round	October 6, 2014	247 Companies	Approx. 1,800
11th Round	March 2, 2015	250 Companies	Approx. 1,850
12th Round	July 14, 2015	257 Companies	Approx. 1,900
13th Round	October 5, 2015	259 Companies	Approx. 2,000
14th Round	March 7, 2016	267 Companies	Approx. 2,200
15th Round	July 12, 2016	260 Companies	Approx. 2,000
16th Round	October 17, 2016	270 Companies	Approx. 2,200
17th Round	March 6, 2017	270 Companies	Approx. 2,200
18th Round	October 16, 2017	270 Companies	Approx. 2,220
19th Round	March 5, 2018	270 Companies	Approx. 2,300



> [More details on the Tohoku Kakehashi Project can be found here \(in Japanese\)](#) 

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 \(in Japanese\)](#) 

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 wakame from Shichigahama in Miyagi Prefecture, which was affected by the Great East Japan Earthquake, and conducting sales of nori seaweed products. The sorting operation for this wakame and nori is conducted by employee volunteers from Group companies.



Volunteers preparing to sell Shichigahama 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. For the 13th Great East Japan Earthquake Recovery Project held in September 2017, volunteers took part in a beach clean-up at Kukunaki Beach and participated in oyster cultivation work to support the fisheries industry in Karakuwa Sosei Village in Karakuwa Town, Kesenuma City.

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

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

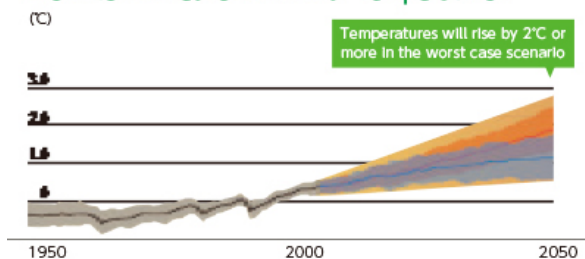
- > [Environmental Guidelines / Environmental Rules](#)
- > [Seven & i Holdings Environmental Declaration / Fundamental Policies Relating to Measures to Contribute to the Prevention of Global Warming](#)
- > [Business Partner Action Guidelines](#)

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 CO₂ emissions considered to be the major cause.

Predicted Increases in Global Temperatures



Taken from the IPCC 'Fifth Assessment Report' on the Japan Center for Climate Change Actions website (<http://www.jccca.org/>)

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 CO₂ emissions and make effective use of limited resources through business activities. These activities are supervised by the Seven & i Holdings executive officer in charge of Corporate Communication.

Contribution to SDGs

In addressing these material issues, Seven & i Holdings contributes to achieving goals 4, 7, 12, 13, and 15 of the Sustainable Development Goals (SDGs) by reducing CO₂ 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 CO₂ emissions.

[> More](#)

Initiatives to Realize a Low-Carbon Society

Seven & i Holdings has set a target of reducing CO₂ emissions generated from store operations by 27% compared to FY2013 by FY2030, and is expanding energy conservation and the use of renewable energy, aiming at the realization of a low-carbon society with significantly reduced CO₂ emissions, 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

In light of the business characteristic where foods account for a large portion of sales, Seven & i Holdings is undertaking initiatives with the important themes of reduction and recycling of food waste, and has set a food recycling target of 66% by 2030.

[> 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 Environmental-Friendly Packaging

Product containers and packaging play important roles including preserving products and displaying information about ingredients, but after product use, these items become waste. Seven & i Holdings is working to reduce the environmental impact of containers and packaging by introducing containers and packaging made from recycled materials or 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 CO₂ 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 50% of the Group's net sales.

Eco Action 21 Certification Acquired

In collaboration with the Nihon Delica Foods Association (NDF), SEJ shares information on examples of initiatives that have substantial energy-saving effects at biannual nationwide CSR promotion conferences. SEJ also confirms the need to create system that can respond to a variety of environmental issues including compliance, continuing energy-saving measures, and reducing CO₂ emissions.

Based on the results of the confirmations, SEJ declared that it will utilize Eco Action 21 established by the Ministry of the Environment. SEJ is taking action such as holding briefings and acquired certification at 21 plants of six companies that produce daily products (as of February 28, 2018).

Third-Party Audit of CO₂ Emissions

To correctly assess and verify the initiatives taken to reduce environmental impact, each year since 2015, Seven & i Holdings has undergone third-party audits of CO₂ emissions from store operations. In the fiscal year ending February 28, 2019, audits of 12 companies* will be conducted, covering about 96% of the Group's total sales. The CO₂ emissions associated with store operations by the 12 companies in the fiscal year ended February 28, 2018 were 119,693 tons for Scope 1, and 3,089,996 tons for Scope 2. Moreover, we underwent a third-party audit of the data for the Category 1 emissions of SEJ, which accounted for about half (9,489,144 tons) of the Scope 3 emissions, thereby helping to improve the accuracy and reliability of the quantitative data internally and externally.

* The twelve companies are: SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, THE LOFT, SHELL GARDEN, Life Foods, IY Foods, and 7-Eleven, Inc.

GREENHOUSE GAS EMISSIONS VERIFICATION STATEMENT
To: Seven & i Holdings Co., Ltd.

Bureau Veritas Japan Co., Ltd. (Bureau Veritas) was engaged by Seven & i Holdings Co., Ltd. (Client) for the independent verification of the greenhouse gas (GHG) emissions reported by Seven & i in the CSR Report 2018.

1. Scope of verification
Seven & i requested Bureau Veritas to verify, to a limited level of assurance, the accuracy of the following GHG information:
Scope 1 and Scope 2 emissions
GHG emissions from energy use through the following sites operations within Japan, U.S.A. (excluding sites operated by directly owned or indirect subsidiaries of Client):

Name of company	Number of sites	Reporting period (month)
Seven & i Food Systems (SFS)	10	2018
Life Foods (LF)	1	2018
YB (Yokohama Bussan Kaisha, Ltd.)	1	2018
SEJ (Seven & i Food Systems, Inc.)	1	2018
IY (IY Foods, Inc.)	1	2018
THE LOFT (The Loft, Inc.)	1	2018
AKACHAN HONPO (Akachan Honpo, Inc.)	1	2018
SHELL GARDEN (Shell Garden, Inc.)	1	2018
7-Eleven (7-Eleven, Inc.)	1	2018

2. Methodology
Bureau Veritas conducted the verification in accordance with the requirements of the international standard ISO 14064:2018 (Environmental aspect - Part 2: Requirements and guidelines for the validation and verification of greenhouse gas emissions)
In part of the audit, Bureau Veritas conducted the following activities:
- Interviews with relevant personnel of Seven & i, responsible for the identification and calculation of GHG emissions
- Review of Seven & i's information systems and supporting documents (Application, receipts and copies of information used to determine GHG emissions, and
- Audit of a sample of source data to check accuracy of qualified GHG emissions.

3. Conclusion
Based on the verification work and processes followed, there is no evidence to suggest that the GHG emissions information Seven & i
was not accurately reported and used for a fair representation of the GHG emissions from activities within the scope of work
was not prepared in accordance with the methodology for calculating GHG emissions established and implemented by Seven & i.

Further greenhouse gas emissions:

Scope	GHG emissions (tCO ₂ e)
Scope 1	119,693
Scope 2	3,089,996

(Statement of independence, impartiality and confidentiality)
Bureau Veritas is an independent, impartial and confidential organization. The activities in Energy, Health, Safety, Quality and Environmental Management Systems are performed by different divisions of Bureau Veritas. The activities in Energy, Health, Safety, Quality and Environmental Management Systems are performed by different divisions of Bureau Veritas. The activities in Energy, Health, Safety, Quality and Environmental Management Systems are performed by different divisions of Bureau Veritas.

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. In the fiscal year ended February 28, 2018, water usage in conjunction with store operation was 38,439,000 m³*, an increase of 1% compared to FY2016 in conjunction with an increase in the number of stores.

* Eight companies included: SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, and THE LOFT

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 developed countries by 2020. As this will require a changeover to another type of substitute, we also plan to further promote the introduction of non-CFC devices in freezing and refrigeration devices used at our stores. At SEJ, refrigeration devices that utilize CO₂ refrigerants have been introduced at 145 stores (as of February 28, 2018), and we are trialing them at 6 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 CO₂, the main cause of global warming, and to create a low-carbon society with dramatically reduced CO₂ emissions. We are promoting energy saving initiatives and expanding the use of renewable energy in order to achieve a target of reducing CO₂ emissions arising in conjunction with store operation by 27% compared to FY2013 by 2030*.

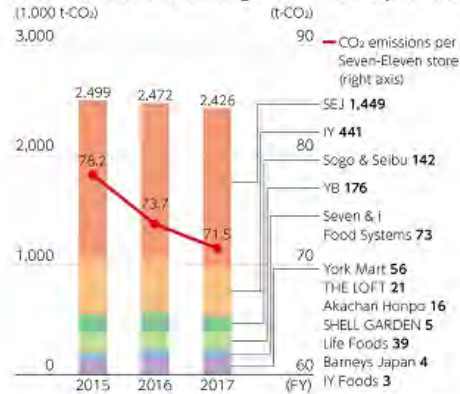
* The target covers 12 operating companies subject to the Act Concerning the Rational Use of Energy (Energy-Saving Act) (SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, THE LOFT, SHELL GARDEN, Life Foods, IY Foods, and Barneys Japan).



Reduction Targets for CO₂ Emissions

Approximately 90% of the CO₂ emissions by each Seven & i Group company are from the use of energy for store operations. For this reason, we set a target of reducing CO₂ emissions occurring in conjunction with operation of the stores of the 12 operating companies in Japan by 27% compared to FY2013 by FY2030 so that CO₂ emissions do not increase in conjunction with the expansion of business and increases in the number of stores. We also believe that expanding the use of renewable energy will be essential for achieving a low-carbon society, and accordingly, we have set a target of increasing renewable energy to 20% of all store electric power consumption by 2030.

CO₂ Emissions Resulting from Store Operations*



* For calculation conditions, please see the data posted on the website. Starting in the fiscal year ended February 28, 2017, we have added CO₂ emissions from the store and factory operations of Life Foods, and starting in the fiscal year ended February 28, 2018, we have added CO₂ emissions from the store of Barneys Japan as well as store and factory operations of IY Foods.

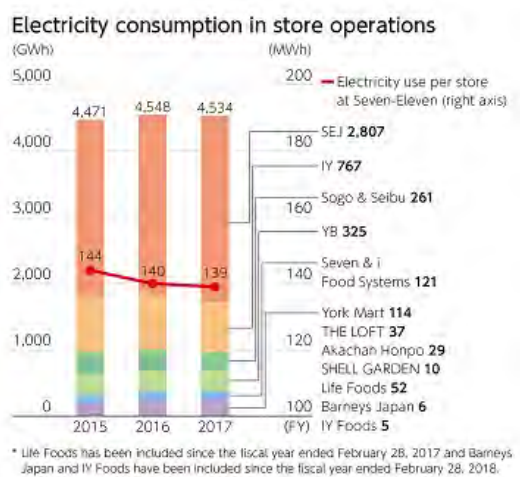
➤ Details of CO₂ emissions amount data can be found [here](#)

Promoting Introduction of Energy-Saving Equipment at Stores

In order to curtail the increase in environmental impact in comparison to increases and expansion of stores and expansion of products and services, each Seven & i Group company is installing energy-saving equipment such as LED illumination and solar panels when opening new stores and refurbishing existing stores. Conserving energy at stores also leads to lower costs for energy use.

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 8,017 stores (as of February 28, 2018).

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, 2018).



LED lights



Solar panels

Main investments in environmental equipment—cost and effect (FY2017)*

Environmental investment (million yen)	Environmental expenses (million yen)	Projected reduction in expenses (million yen)	CO ₂ reduction effect (Tons)
12,967	3,401	1,123	40,504

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

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

People- and Environment-Friendly Next-Generation 7-Eleven Stores

In December 2017, SEJ refurbished the Chiyoda Nibancho 7-Eleven store, incorporating new technologies that will serve as the foundations for optimal next-generation stores.

By utilizing the technologies and facilities of companies representing various fields from Japan and other countries, total electric power externally purchased by the store has been reduced by approximately 28%*1, and work times relating to the subject equipment has been reduced by approximately 5.5 hours per day*2.

By introducing equipment that can reduce environmental impact, creating a store environment that facilitates work by employees, and building nearby and convenient stores, we are responding to a wide range of social issues.

*1 Converted from the case where the technologies and equipment were installed in a standard store, compared to FY2013.

*2 Total compared to work performed according to existing procedures in an average store environment.



Sliding shelves at the Chiyoda Nibancho 7-Eleven store

Installation of Electric Vehicle Chargers

Seven & i Holdings and NEC Corporation have installed approximately 2,700 chargers for electric vehicles (EVs) and plug-in hybrid vehicles (PHVs) as of February 28, 2018 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 environment-friendly, next-generation cars.



Electric Vehicle Chargers

Managing Climate Change Risks

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.

Seven & i Holdings, in accordance with its "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. Risks associated with climate change are managed under the systems described below.

Once each year, each Group company identifies risks affecting that company based on an examination of the shared Group risk catalogue presented by the Risk Department, which serves as the administrative office for the Risk Management Committee. Companies quantify risks assessments based on the degree of impact and the likelihood of occurrence of each risk, organize responses countermeasures to each risk in a risk assessment table, and submit the table to the Risk Department. The risk assessment tables include physical risks (large-scale disasters) from restrictions on CO₂ emissions and climate change as well as reputational risks from delays in responding to climate change and other such risks.

The Risk Management Committee meets twice annually with the president of Seven & i Holdings in attendance to comprehensively determine the status of Group risks based on the risk assessments and countermeasures submitted by each Group company and monitors implementation of risk management and improvement measures by each company from the perspectives of materiality, urgency of improvements, and so on.

The officer responsible for the Risk Management Committee responds on the status of Group risk management to the Seven & i Holdings Board of Directors at least once annually.

Measures for Adaptation to and Mitigation of Climate Change Risks

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 13 places throughout Japan, covering approximately 200 ha in total. (As of February 28, 2018). 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 CO₂ 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 CO₂ 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 CO₂ emissions across the entire supply chain.

*1. “Scope 3”: CO₂ emissions other than those from the company, emitted from its procurement of raw materials and products, transportation, and product use, together with CO₂ 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, 2018 (Totals for 10 companies)

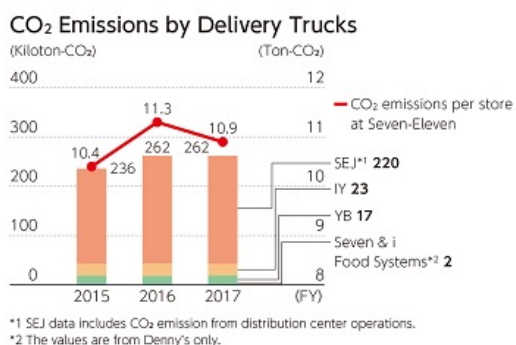
Category	Composition ratio	
Scope 1	0.5%	
Scope 2	10.9%	
Scope 3 Categories 1-15 (total)	88.7%	100.0%
Category 1 (Purchased goods and services)		85.1%
Category 2 (Capital goods)		3.4%
Category 3 (Fuel- and energy-related activities not included in Scope 1 or 2)		1.0%
Category 4 (Upstream transportation and distribution)		1.5%
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)		0.4%
Category 12 (End of life treatment of sold products)		6.4%
Category 13 (Downstream leased assets)		1.2%
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. We have been phasing in hybrid vehicles for these leased vehicles. In the fiscal year ending February 28, 2019, we plan to replace about 1,200 of our leased vehicles with hybrid models, with an anticipated CO₂ emission saving of around 1,680 tons.

Reducing CO₂ 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.



Introduction of Eco-Friendly Vehicles

SEJ is actively introducing eco-friendly hybrid trucks and compressed natural gas (CNG) delivery vehicles and working to reduce CO₂ emissions to support the development of a low-carbon society. Of the total of 5,927 delivery vehicles, 825 are eco-friendly vehicles (as of February 28, 2018). SEJ began phased introduction of Japan's first EV delivery vehicles, developed by Mitsubishi Fuso Truck and Bus Corporation, in December 2017 and plans to have a total of 25 vehicles in use at eight locations in Tokyo, and Kanagawa, Saitama, and Chiba Prefectures by the end of 2018.

In August 2017, SEJ entered into a basic agreement with Toyota Motor Corporation regarding investigation of energy saving and CO₂ reduction measures at stores and in logistics. Under the agreement, a project for small fuel cell trucks and fuel cell chargers to be developed by Toyota will be carried out in stages starting in 2019.



Japan's first EV delivery truck



A small fuel cell truck

Using Biodiesel in Delivery Vehicles

SEJ is cooperating with a project being conducted by Ehime Prefecture to encourage the use of biodiesel fuel (BDF) produced from used frying oil. In March 2018, SEJ started a demonstration trial using BDF as the fuel for vehicles that deliver cooked rice and chilled products to stores in the prefecture. The BDF used in the vehicles is refined from oil collected from households, fryers in 7-Eleven stores, and production of fried foods at specialized plants in Ehime Prefecture. Approximately 20,000 liters of BDF are used each month. SEJ projects that emissions from deliveries will be reduced by about 2,590 kg-CO₂ per month.



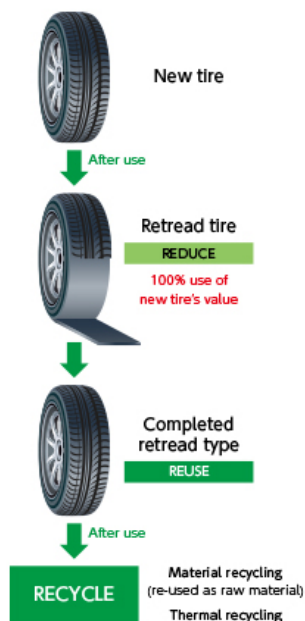
A delivery vehicle that uses biodiesel fuel

Promoting Introduction of Eco-Friendly Tires

SEJ is promoting the introduction of eco-friendly tires with low rolling resistance for delivery vehicles. As of February 28, 2018, we have installed eco-friendly tires on 5,884 delivery vehicles, representing approximately 99% of the total fleet.

Moreover, SEJ has also introduced retread tires to 10,880 vehicles*1, as of February 28, 2018. These tires are made from tires that have finished their service life, by removing a certain amount of the rubber surface that makes contact with the road and applying new rubber and tread. In this way, they can be re-used as rear tires for delivery vehicles. 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.



Retread tires

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 at 73 of 156 distribution centers (as of February 28, 2018).

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 CO₂ 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 with a target food recycling rate of 66% by 2030*.



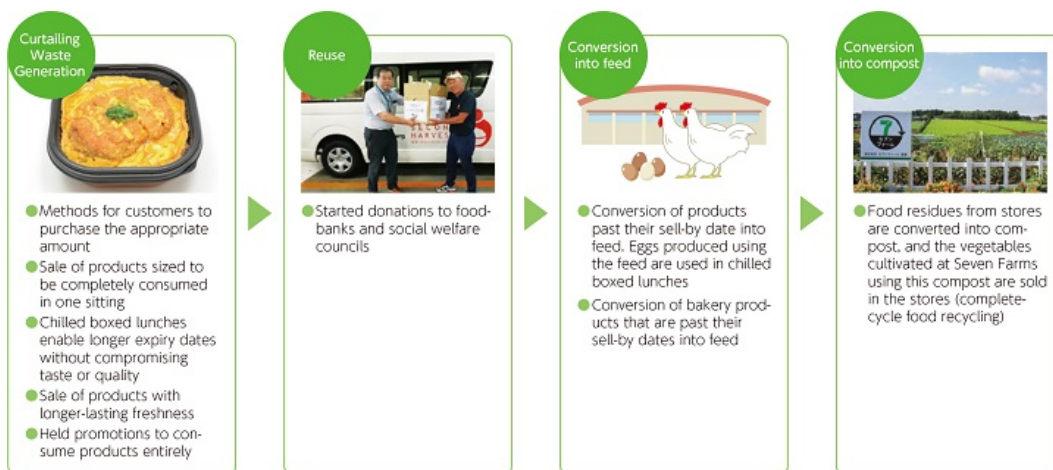
* Covering six food-related operating companies: SEJ, IY, YB, York Mart, Seven & i Food Systems, and SHELL GARDEN.

Our Approach to Reducing Food Waste

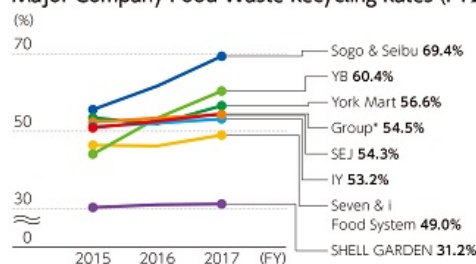
Our priorities for reducing food waste are to curtail the generation of waste, promote the reuse of waste, convert waste into feed and fertilizer, and recover heat. The Seven & i Group is currently conducting initiatives centered on converting waste into feed and fertilizer. For example, IY has been 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. With regard to reuse, SEJ has been donating inventories of process foods to food banks when stores are closed or refurbished, since the fiscal year ended February 28, 2018, and began making donations to social welfare organization in the fiscal year ending February 28, 2019. Ito-Yokado has similarly been donating unexpired foods from some stores to food banks since the fiscal year ended February 28, 2018. We believe that promoting reuse is an important issue, and we will step up our measures in this area in the future.



Major Company Food-Waste Recycling Rates (FY2017)



* Six food-related operating companies (SEJ, IY, YB, York Mart, Seven & i Food Systems, SHELL GARDEN)

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 delicatessen items.

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 18 stores as of the end of February 2018. Through the power of microorganisms, the devices break down into water and CO₂ garbage that is ill-suited to recycling (such as highly fibrous substances, etc.). This process results in reduced CO₂ emissions compared to incineration processing, and it offers an effective reduction of waste volumes.



Garbage processor

Converting Food Waste into Feed and Fertilizer

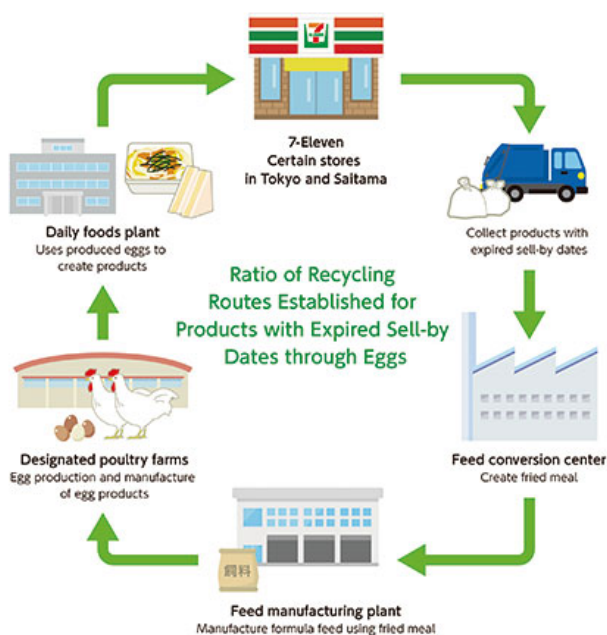
SEJ has been promoting "Eco Distribution*1" since 1994 as a system for appropriate processing and recycling of waste. Under this system, we work to recycle food products that have passed their sell-by dates into feed and fertilizer. The system is operating in 27 prefectures in Japan. In the fiscal year ended February 28, 2018, the combined recycling rate for products that had passed their sell-by dates and discarded food oil was 54.3%.

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*2. The formulated feed is fed to chickens at designated poultry farms and the eggs produced are used as a raw material in boxed lunches.

*1 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.

*2 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 \(in Japanese\)](#)

Recycling-Oriented Farms (Seven Farms)

In August 2008, with the aim of enhancing recycling rates 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. As of February 28, 2018, Seven Farm had expanded to 13 sites nationwide, Seven Farm is actively working to acquire certification under Japan Good Agricultural Practice (JGAP), an agricultural production process management technique, and currently, eight farms have acquired JGAP certification.

Seven Farms Outline



Seven Farm

> [More details on Seven Farm can be found here \(in Japanese\)](#)

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

7-Eleven is working to curtail the generation of waste and to promote reuse and recycling with a view to reducing waste disposal. For example, in product deliveries, 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, 2018, 34,822 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.



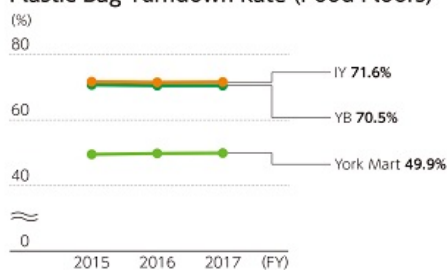
Innovating Sales Methods to Reduce Containers and Packaging

At IY, YB, and York Mart, we have devised sales methods for fresh food and delicatessen items that reduce the amount of containers and packaging used, such as selling by weight or selling individual loose items. In our delicatessen items sales areas, we are increasingly using paper bags rather than plastic containers for selling items such as croquettes and 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.

Plastic Bag Turndown Rate (Food Floors)



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, paper cartons, and PET bottles at stores in accordance with local waste disposal sorting rules. Recently, some stores of the Group have also been cooperating with local governments to 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, 14 stores have a permanent recycling box for small home appliances (as of the end of March 2018), 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 CO₂ emissions resulting from the operations can be reduced.

SEJ conducted trials of automatic PET bottle collection machines at five stores in Koto-ku, Tokyo starting in December 2015. Later, the program was expanded in stages to 300 stores in Tokyo and Saitama Prefectures starting in December 2017.

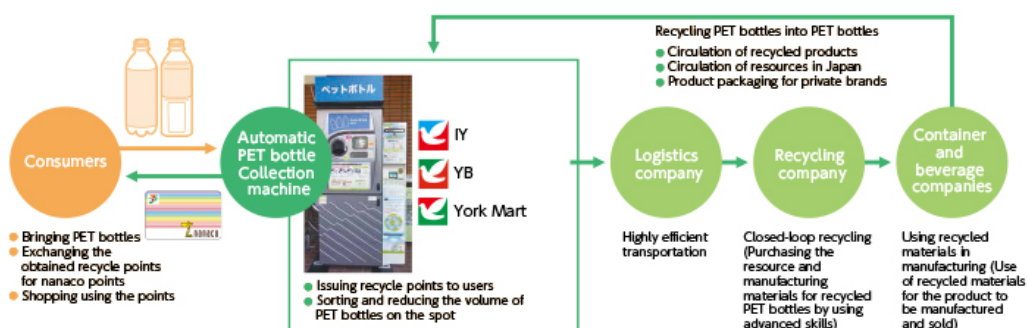


Small-sized PET Bottle Recycling System for convenience stores

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 2018, collection machines have been installed in 701 stores across the four companies, and approximately 7,109 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.

PET Bottle Recycling System Using an Automatic Collection Machine



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

Introduction of Environmental-Friendly Packaging

Product containers and packaging play important roles including preserving products and displaying information about ingredients, but after product use, these items become waste. Seven & i Holdings is working to reduce the environmental impact of containers and packaging by introducing containers and packaging made from recycled materials and biodegradable materials.



Environmental-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 environmental-friendly. So far, the Group has used environmentally considerate packaging such as recycled PET or forest thinning materials in 950 Seven Premium products. The Group is expanding its measures with the aim of using environmental-friendly containers and packaging for all Seven Premium products by 2030.

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 cartons. Moreover, the volume of CO₂ emissions per carton from the raw material procurement and manufacturing process is around 12% lower compared with the aluminum cartons. Furthermore, the CO₂ reduction effect from this initiative is projected to be approximately 250 tons per year, the equivalent of the CO₂ absorbed by approximately 18,000 cedar trees.



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

Use of Plant Based Materials

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 CO₂ emissions by around 60 tons compared with conventional petroleum-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 CO₂ emissions by approximately 108 tons.



Product packaging made with plant-derived materials

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 (printed on the reverse side)

> [See here for further information about Seven Forest \(in Japanese\)](#)

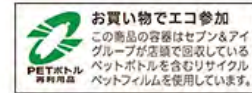
Introduction of Recycled Materials

IY and York Mart are introducing recycled trays manufactured by suppliers that have received Eco Mark certification. In the fiscal year ended February 28, 2018, approximately 800 types of recycled tray were introduced (a decrease of 19% year on year by weight). The introduction of recycled trays reduced annual CO₂ emissions by approximately 2,500 tons.

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



Recycled tray



Packaging made from recycled PET bottle material

Introduction of 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-friendly PET made from recycled or biomass PET rather than oil-based PET. The CO₂ 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 environmental-friendly PET

Environmental-Friendly SEVEN CAFÉ

Many customers support SEVEN CAFÉ, which is promoting environmental considerations in various ways. For example, forest thinning material is used for the outer sleeves for hot beverages. Cups for iced beverages use a compound material that includes recycled PET. We are also working to cut down our use of limited resources, for example by making cups lighter and thinner.

In the fiscal year ended 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.

取り組みの概要



Environmental-Friendly SEVEN CAFÉ

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 so on. At the same time, it is emphasizing communication with customers, external environmental organizations and others.



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 managers in line with the characteristics of each Group company. The aim is to instill basic knowledge and facilitate their understanding of environmental matters.

Specifically, June has been designated as Group Environment Month, and various programs are conducted to raise employee awareness and understanding. In the fiscal year ended February 28, 2018, environmental e-learning and environmental lectures conducted by outside instructors were held for all employees as well as programs that impart knowledge and facilitate consideration of the environment by employees while enjoying themselves such as environmental study sessions at the Takao Forest and Nature School operated by the Seven-Eleven Foundation and the Tokyo Metropolitan Government and collection and recycling of unneeded small consumer electronic devices.

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. With a target of having 12,000 Group employees pass the Eco Test by 2020, each company supports test takers by subsidizing test fees, holding study sessions, and so forth. In the fiscal year ended February 28, 2018, 1,713 employees passed the test (cumulative total of 4,151 people passing the test since the fiscal year ended February 28, 2015).

Holding Environmental Events

Seven & i Holdings holds environmental events both within and outside the Company to provide opportunities to raise 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 18 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 conservation activities on Mt. Fuji. In the fiscal year ended February 28, 2018, a total of 2,003 people took part in such events, comprising both Group employees and personnel from SEJ franchised stores.

[> For more details about "Seven Forest" \(in Japanese\)](#)

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

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, as well as WWF Japan and various NGOs in and outside of Japan.

In addition, SEJ has been conducting environment-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 17 years in total, the foundation has provided ¥2,024,766,181 in funding for 3,249 activities.

The Seven-Eleven Foundation operates the Kokonoe 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 Kokonoe 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, 2018 amounted to ¥472,036,817.

The total amount of storefront donations collected since the fiscal year ended February 28, 1995 is ¥7,089,076,061

*2. Assistance for environmental NPOs through public support in the fiscal year ended February 28, 2018 (including recipients of ongoing support): 302 support projects; ¥167,417,785 provided in total



Collection box placed on counters in stores



Kokonoe 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](#)

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

Approach to Material Issues

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

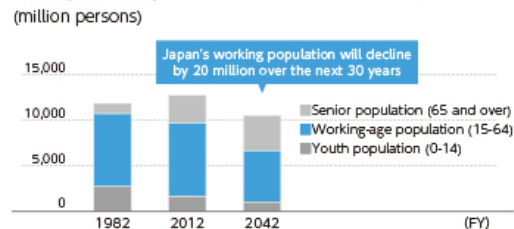
[Seven & i Holdings Corporate Action Guidelines](#)

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

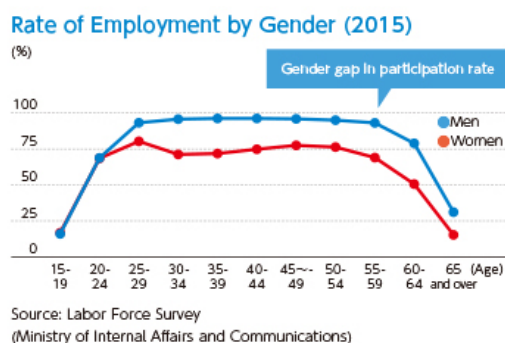


Source: Population Estimates, Statistics Bureau, Ministry of Internal Affairs and Communications

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 active roles is therefore an important task.



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 & i Holdings executive officer in charge of Corporate Communication.

Contribution to SDGs

Through 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) 3, 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

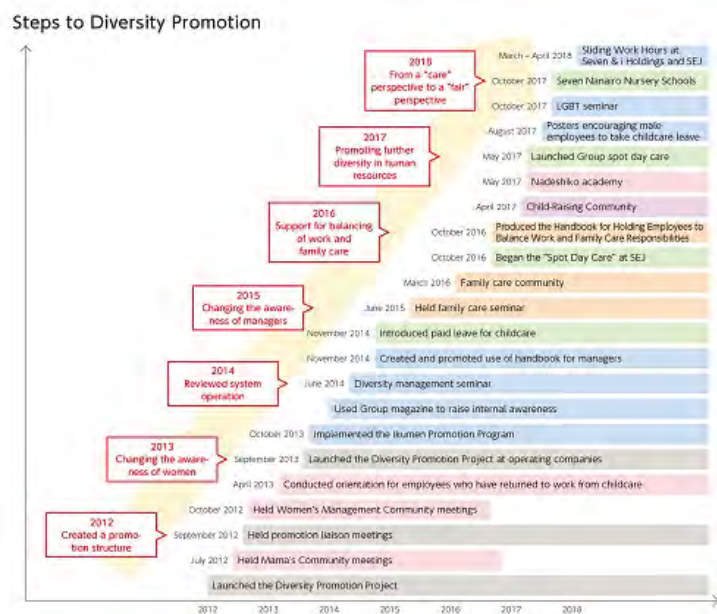
Seven & i Holdings established the Diversity Promotion Project in 2012 and has promoted initiatives with a focus particularly on women's participation and advancement, based in part on the thinking that incorporating the perspectives and sensibilities of women into product and service development as well as sales floor arrangements will translate 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 the fiscal year ended February 29, 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 human resources, 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

By 2020

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



Fostering a Culture Where Diverse Human Resources Can Play an Active Role

Seven & i Holdings is working to promote active roles for women and other diverse human resources 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-analyses of their own strengths and weaknesses and the skills they have acquired to create 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 (child-raising men) Promotion Program was established in October 2013. Under this program, outside lecturers are invited to speak, supporting changes in awareness among men and promoting review and revision of existing work styles.

In May 2018, we held the first cooking course for men with the aim of encouraging even greater participation in housework.



Ikumen Promotion Program



A cooking course for men

Career Support for Women

The Women's Management Community meetings have been held since 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 June 2017, the Company started holding the new "Nadeshiko Academy" for developing future managers. The program was conducted a total of four times through February 28, 2018, with approximately 340 employees participating from Group companies.



Nadeshiko Academy

Diversity Management Seminars

The Diversity Management Seminars have been held since June 2014 to change the awareness of managers. The seminars have been held 15 times as of February 28 2018, and approximately 4,600 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 human resources to generate results.



A Diversity Management Seminar

Addressing LGBT Issues

We revised the Corporate Action Guidelines in September 2016 and began implementing measures in consideration of newly clarified LGBT issues in the fiscal year ended February 28, 2018.

In October 2017 we conducted a seminar led by an outside speaker, and 168 employees from 17 Group companies attended. The Group newsletter ran a special feature with basic information on LGBT issues in November 2017. In response to the considerable reaction, the newsletter presented comments submitted by employees in January 2018.

SEJ had a booth at Tokyo Rainbow Pride held in May 2018, issued “Ally nanaco” and emphasized our status as an LGBT-friendly company.



Ally nanaco



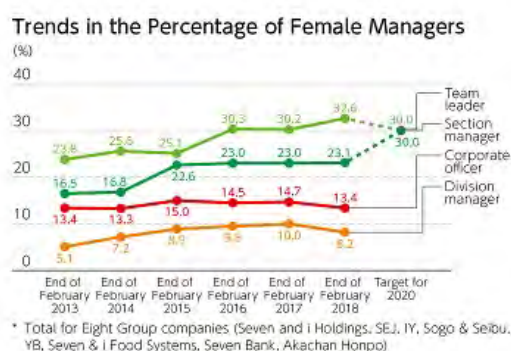
SEJ's booth at Tokyo Rainbow Pride 2018

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, the percentage of female managers increased to 32.6% for team leaders and 23.1% for section managers as of the end of February 2018. 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.

In addition, Seven & i Holdings President Ryuichi Isaka announced support for the Declaration on Action by a group of male leaders who will create “A Society in which Women Shine” issued by the Cabinet Office.

➤ [Website for the Declaration on Action by a group of male leaders who will create “A Society in which Women Shine” \(Gender Equality Bureau, Cabinet Office\)](#)



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 the targets. 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.



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



2017 Nadeshiko Brand

Initiatives at Operating Companies

Since September 2012, Seven & i Holdings has held quarterly diversity promotion liaison meetings with diversity managers at the Group's synergies continue to be generated through the meetings.

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.

General Employer Plan pursuant to the Act on the Promotion of Women's Participation and Advancement in the Workplace

- > [Seven & i Holdings](#) 
- > [Seven-Eleven Japan](#) 
- > [Ito-Yokado](#) 
- > [Sogo & Seibu](#) 

“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, Seven Financial Service, Nissen, and Nissen Life have also obtained third rank, and Seven & i Food Systems has obtained second rank. (As of February 28, 2018)



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 19 people with disabilities as of June 1, 2018. As a result, the Group's employment rate of people with disabilities*2, including those employed by Terube, came to 2.66%. (As of June 1, 2018)

In the 23 years since its establishment, Terube has sought to create work environments amenable to people with disabilities and has been recognized for its efforts to practice normalization. It is noteworthy that Terube became the first company to be certified as an Employer of Persons with Disabilities in 2017, the first year that certifications were issued.

*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.

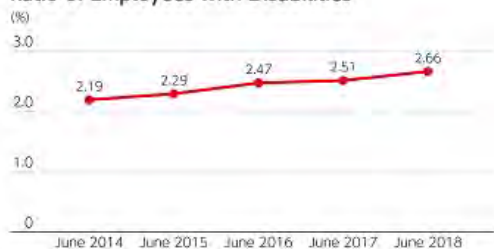


Special subsidiary, Terube Ltd.



The first company certified as an Employer of Persons with Disabilities

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 the end of February 2018, 6,345 senior partners are active in the company. The system was also expanded in May 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 provides training not only for seniors but also for foreign students and non-Japanese employees to give them support.



A briefing for senior employees

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

Achieving 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

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 at 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 high 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.
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.
Reemployment	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 and Seven Nanairo Nursery School

SEJ began the “Spot Day Care” initiative in October 2016 to support the careers of employees with small children. SEJ, 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 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, 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. We aim to expand the program to 37 offices during the fiscal year ending February 28, 2019.

Spot Day Care was expanded to 14 Seven & i Group companies starting in May 2017, creating environments where employees can pursue their careers throughout the Group.

In October 2017, two Seven Nanairo Nursery Schools were opened in Ota-ku, Tokyo, and Hiroshima City. These facilities are available for use by Seven-Eleven store operators and employees as well as local residents and SEJ employees. An additional school was opened in Sendai City in July 2018, and there are plans to open additional schools in stages.



At a Spot Day Care facility



The exterior of a Seven Nanairo Nursery School

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, 2018, 45 male employees took childcare leave at Seven & i Holdings, along with 377 at SEJ, and 443 at Ito-Yokado.

Encouraging Male Employees to Take Childcare Leave

In April 2017, the Seven & i Group conducted a survey of its male employees regarding their participation in childcare. In response to a question about taking childcare leave, 76% of the employees responded that they “definitely want to take” or “want to take” childcare leave. In light of these results, in August 2017, we began taking measures to encourage male employees to take childcare leave including producing and displaying posters targeting male managers and leave-takers.

男性も思いきって 育児休業 とりませんか？

子どもが1歳になるまでの間(一定の場合には、3歳6ヶ月に達するまで)、
育児休業の取得が可能です。
子育ての中で、新たな視点やビジネスのヒントが生まれます。
それも一つの

「ワークライフ・シナジー」です。

特に男性が子どもとの時間を増やすためには

上司・同僚のバックアップが必須です。

ぜひ、職場全体で考えてみてください。



セブン&アイグループ
ダイバーシティ推進プロジェクト

A poster encouraging male employees to take childcare leave

育児休業を とらせて下さい。

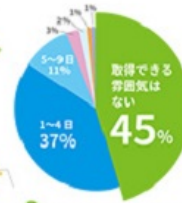
職場全体でバックアップする環境を
整えましょう。

子どもが1歳になるまでの間(一定の場合には、3歳6ヶ月に達するまで)、
育児休業の取得が可能です。
子育ての中で、新たな視点や
ビジネスのヒントが生まれます。
それも一つの

「ワークライフ・シナジー」。

ぜひ子どもとふれあう時間を

大切にしてください。



セブン&アイグループ
ダイバーシティ
推進プロジェクト

A poster targeting managers

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 regularly conducted seminars taught by outside experts on preparing in advance for family care responsibilities. Further, a family care community was established in November 2015 for employees engaged in balancing work and family care. The community works to eliminate anxieties by identifying issues related to the balance between work and family care 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. Tools for conveying information on family care and preventing job separation as a result of family care for use at meetings and so on were distributed to Group companies in 2017, increasing opportunities for more employees to deepen their understanding regarding family care.

In addition, we are actively informing employees about a consultation desk established in the Health Insurance Union in an effort to create environments where employees do not feel that they have to face this issue alone.

Implementation of 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 28, 2018, 17 Group employees took volunteer leave.

System to Allow Telework

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.

SEJ conducted a trial of a program that allows employees to work from home in July and August 2017. Based on the operational results, we are confirming whether employees performing childcare or family care and worked from home were able to efficiently perform their jobs, and we are working to establish a formal program.

Restricting Long Working Hours

Seven & i Group conducts various initiatives 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 4,600 employees from Group companies have attended 15 seminars as of the end of February 2018. Many of the seminar participants work to increase communication with their subordinates and take further action to improve working styles.

Implementation of Sliding Work Hours

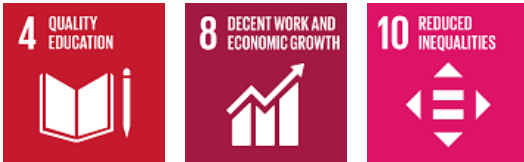
In July 2017, Seven & i Holdings and SEJ collaborated with Tokyo-based Jisa Biz to conduct a trial of staggered commuting times. Employees at the Head Office and offices in the Tokyo region were eligible to select 8 a.m., 9 a.m., or 10 a.m. as their morning work start times. The result was a decrease in overtime throughout the company. SEJ received the Jisa Biz Promotion Award in the Promotion Category from the Tokyo Metropolitan Government for this initiative.

After verifying the results of the trial introduction, Seven & i Holdings and SEJ established formal programs and introduced them on a full scale in March and April 2018 respectively. In November 2016, SEJ established a program to encourage employees to take time off (six days per year) in addition to special holidays designated by the company.

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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.



Establishment and Refinement of Training Systems

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, division managers, and store managers, to provide knowledge of sales floor management in stages and in line with their respective positions.

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

IY Training System

Position	Training content	Information sharing
Part-time employee	Training for new employees · Merchant fundamentals, corporate fundamental	
New employees	Training for new employees · Merchant fundamentals, corporate fundamental	Group training for new employees
	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	
Floor managers	New manager training · Knowledge, techniques and management skills necessary for sales area management · Numerical analysis, personnel training	Floor manager conferences
Division 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

Divisional training on customer service and fresh food skills
 Personal development support (correspondence courses, etc.)

Establishment of 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 delicatessen items, fresh fish, sushi, fresh meat, and produce) cash register practice rooms, and display practice rooms with recreated sales areas. A historical materials 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-accessible.



The Ito Training Center

> [Further details about the Ito Training Center can be found here \(in Japanese\)](#)

Open Recruitment System for Human Resources

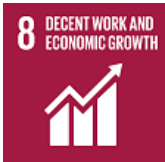
Seven & i Holdings implements an open recruitment system for human resources that encompasses all of its operating companies. The system is designed to respect the will of each individual employee and ensure the right person is placed in the right job to fully leverage their abilities and to invigorate the organization. Full-time employees at participating companies who have been performing their current duties and have been in their current positions for at least two years are eligible to apply. 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, 222 people applied through this system and 42 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.

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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, place of birth, race, creed, gender, and so on.



Ensuring Fairness through 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.

Implementation of Management Checks

SEJ has been conducting management checks since November 2017 as a personnel measure where subordinates and supervisors work together to improve the company and enhance internal communications. Subordinates check the status of management of employees by managers. Employees respond to a total of 20 questions (five questions in each of four categories: human abilities, thinking abilities, action abilities, and compliance) and input comments. To prevent the identification of specific individuals, the scores of all subordinates are averaged and comments are combined and not directly disclosed to supervisors; oral feedback is provided during interim interviews (conducted twice annually in April and November) by supervisor who is two levels higher. Each individual actively uses the results to generate outputs that will contribute to their individual growth.

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, 2018), 138 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 managers. 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

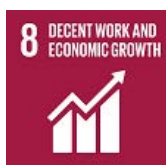


Award ceremony (January 2016)

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, and also conducts 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 three times 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, 2018

	Seven & i Holdings.	SEJ	IY	Sogo & Seibu	YB	Seven & i Food Systems	Akachan Honpo	Seven Bank
Workplace accident frequency	0.00	0.19	1.45	0.37	3.70	0.78	0.35	0.00
Workplace accident severity	0.00	0.00	0.04	0.00	0.01	0.02	0.01	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 Vice 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, and raising awareness of cancers that affect women. 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 health checkup 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. We have been distributing a smartphone app since May 2017 and creating an environment that facilitates its use.

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 2018, this initiative was highly rated and nine Group companies – Seven & i Holdings, SEJ, IY, Sogo & Seibu, YB, Seven & i Food Systems, York Mart, Seven Card Services and Seven & i Publishing—were recognized in the 2018 Certified Health and Productivity Management Organization White 500 held by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



2018 Certified Health and Productivity Management Organization Certificate

Seven & i Health Declaration 2018

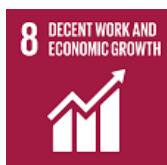
Targets	Specific Targets to Be Achieved by March 31, 2018				
1. Maintain appropriate bodyweight and reduce lifestyle diseases	Ratio of People with a BMI over 25*				
		FY2015	FY2016	FY2017	March 31, 2018 Target
	Male	33.6%	34.6%	35.5%	28% or less
	Female	23.9%	25.0%	25.6%	18% or less
2. Reduce smoking rate	Overall Employee Smoking Rate*				
		FY2015	FY2016	FY2017	March 31, 2018 Target
	Overall	31.6% (Male employees: 43.1%, female employees: 23.3%)	31.3% (Male employees: 42.8%, female employees: 23.0%)	30.3% (Male employees: 41.3%, female employees: 22.7%)	24% or less
3. Raise awareness of cancers that affect women	Increase employees receiving breast cancer exams				
4. Raise employee vitality (mental health)	<ul style="list-style-type: none"> ● Increase employee knowledge of mental health related issues ● Help employees with mental health issues recover their health 				
5. Promote work-life balance	<ul style="list-style-type: none"> ● Reduce overtime and make working hours amenable to health and work-life balance ● Encourage employees to take days off and vacation time for health promotion and reinvigoration 				

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

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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 28, 2018, the survey was administered to approximately 45,000 employees at 29 companies in Japan, and approximately 40,000 people responded.

Example of Employee Opinion Survey Questions

- To what degree do you feel fulfilled in your work?
- To what degree 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 the Company conducts environmentally considerate business activities?

Results of the Employee Opinion Survey (Example)

- Percentage of employees who are satisfied with their work and workplace*

Male	71.1%
Female	71.7%
Overall	71.4%

* Results from the survey conducted in the fiscal year ended February 28, 2018. They are measured by respondents' agreement with the following statements: "I feel fulfilled in my work," "Employees can fully utilize their individual capabilities at my workplace," and "I agree with my personnel evaluation result."

Promoting Improvement Activities

After the survey, personnel and CSR division employees 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's 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 March 2018 has approximately 61,000 members in 11 unions and a participation rate of 75.2% (Ito-Yokado labor union). 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 reform 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 support related to childcare through its stores.



Maternity and Childcare Counseling Service

Ito-Yokado and Sogo & Seibu provide maternity and childcare consultation offices (at 113 stores as of February 28, 2018) and Pre-Mama Stations (at 5 stores as of February 28, 2018). 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 breastfeeding, hot-water, and toilets for children.



Childcare consultation office

Number of Ito-Yokado Childcare Consultations (Users)

FY2013	FY2014	FY2015	FY2016	FY2017
247,422	235,017	237,336	246,060	245,988

Childcare Support Events

Ito-Yokado holds a range of events to provide childcare advice and encourage parents to interact and socialize. The company also actively takes part in events with universities, municipalities and several 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 conducting familiar retail store operations. 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. Ito-Yokado also conducts workplace experience programs at its stores where each year approximately 8,000 students can come up with and convey their own proposals by making coordination proposals and suggestions to customers through in-store sampling while experiencing firsthand the importance of complying with basic standards to ensure safety and confidence. Also, 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 108 schools in the fiscal year ended February 28, 2018. 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 on. Through these experiences, the students can feel the value of working and the joy of interacting with customers.



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

Furthermore, SEJ has a store in Shinagawa Student City, which has been run jointly by Shinagawa Ward 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, 2018, 2,354 elementary school students staffed our store and learned about the joys and challenges of working through customer service and retail sales.



Shinagawa Student City

Outreach Classes for Company-School Exchange

SEJ 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 population aging, birthrate decline, women's advancement in society, and the decrease in the 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 sound and healthy dietary habits.

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 to accept children's shoes donations 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, 2018, Sogo & Seibu had sent about 760,000 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 69 White Ribbon Campaign Vending Machines at locations throughout Japan (Akachan Honpo 51 machines, Sogo & Seibu 18 machines) as of February 28, 2018. 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 Issue 5 Building an Ethical Society and Improving Resource Sustainability Together with Customers and Business Partners

Approach to Material Issues

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.

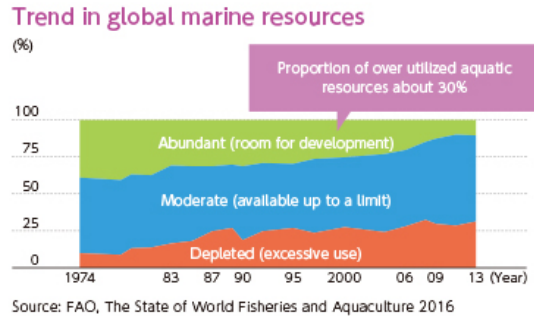
In every process from procuring raw materials for products to delivering products to customers, Seven & i Holdings believes that it must not only comply with laws and regulations, but it must also supply valuable products that show consideration for society and the environment. This will contribute to 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 Issues

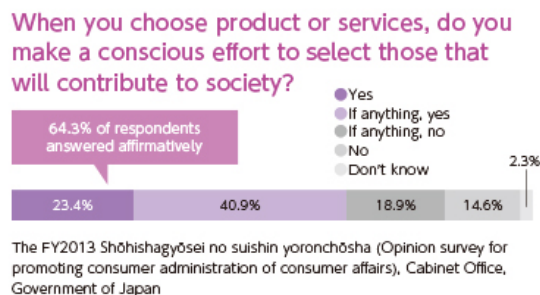
Decline and Depletion of Fisheries Resources

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 trade 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 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, 7, 8, 10, 12, 13, 14, 15 and 16.



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 Environment Conservation Activities

In cooperation with NPOs and other organizations, we undertake measures that 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](#)

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 social 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 not only to guarantee the safety and quality of the Group's products and services but also 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 Japan Business Federation's Charter of Corporate Behavior, and the OECD Guidelines for Multinational Enterprises. Business partners including 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 are asked to submit the check sheet annually. 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.

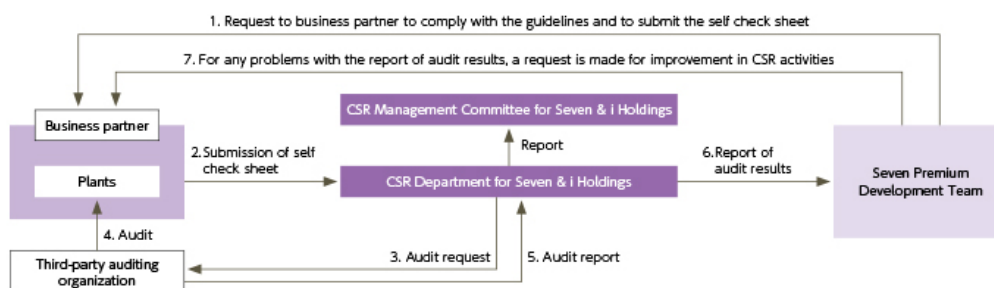
Responses to this check sheet are entered into a database, and buyers determine whether or not to continue doing business with a business partner based partly on the business partner's level.

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 (approximately 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).

■ **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, 2018

In the fiscal year ended February 28, 2018, CSR audits were conducted at 215 factories in 13 countries, including China, Vietnam, Thailand, Indonesia, Cambodia, and Myanmar. The average compliance rate across all audited factories was 94.4%, with re-audits at 12 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, 2018

(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 of factories 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	226	226	3.9%	9
FY2016	245	245	8.5%	21
FY2017	215	215	5.6%	12
FY2018 target	500	500	0%	0

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

Sustainable Environment Conservation Activities

Seven & i Holdings cooperates with NPOs and other organizations to undertake measures that contribute to the prevention of global warming and preservation of biodiversity.



Seven Forest Creation Conservation Project

Seven & i Holdings participates in Seven Forest creation activities run by the Seven-Eleven Foundation at 18 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, 2018, activities were held 23 times and a total of 1,824 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 in commercialization to promote use of national resources.

> [For details about Seven Forest \(in Japanese\)](#)



Seven Forest Creation

Overview of Seven Forest Creation



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 social contribution 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, nature conservation, and disaster reconstruction assistance. In the fiscal year ended February 28, 2018, in-store donations totaled ¥472,036,817 and around ¥167,417,785 was used to give grants to 302 environmental citizenship grant projects (including ongoing projects), which support environmental activities by local residents.

> [Seven-Eleven Foundation website \(in Japanese\)](#)

Green Wrapping

Sogo & Seibu is promoting the use of "green wrapping," for customers when they order gifts, which sends the message of "keeping the earth's environment in mind." This involves the purchase of a wrapping ribbon with a leaf-shaped mascot for an additional price of ¥100 (including tax), of which ¥50 is donated to tree planting and growing activities. 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, 2018, 11,974 trees were planted).



Green Wrapping



Employees carefully plant seedlings provided by the kindness of customers

Sale of Rice Cultivated to Protect 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, 2018, sales of Koshihikari Rice Nurturing White Storks provided approximately ¥50,000 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 ¥130,000 to the Fund for the Improved Habitat for the Japanese Crested Ibis.



Rice cultivated while protecting the environment and biodiversity

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.



Sales of Products Certified by the Aquaculture Stewardship Council (ASC Certification)

In March 2011, Ito-Yokado 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

Sales of Alaska Seafood Products

Seven & i Group stores actively sell and convey to customers the quality of Alaska Seafood products, which are sourced through environmentally friendly fishing practices. In Alaska, the source region of the brand's all-natural marine products, Alaska Seafood strictly manages resources and fisheries to ensure that the ecosystem that nurtures these natural marine resources is not impaired.

In the fiscal year ended February 28, 2018, Group companies held events and took other measures in August to promote sales of Alaska Seafood. For example, Sogo & Seibu conducted in-store promotions for, and informed customers about the appeal of, Alaska Seafood through demonstration sales conducted by chefs and other programs at 10 stores. The company also promoted Alaska Seafood as traditional year-end gifts and presented original recipes in the Beaujolais Nouveau special feature of a wine magazine.



Seven Premium Benizake no Shioyaki

[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 Lifestyle private brand in December 2015. These products are sold at around 192 Ito-Yokado and York Benimaru stores throughout Japan and the Group's integrated portal website, omni7. The cotton used as raw materials in these products is only organic cotton that meets U.S. 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 Lifestyle 100% Organic Cotton Innerwear

Handling of Low-Agrichemical Products

Ito-Yokado and York Benimaru sell private brand products that use fewer agrichemicals than the values regulated by law. 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, 2018 were approximately ¥22.7 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.

■ **Food Safety**

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

■ **Environmentally Sustainable Agriculture**

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

Use of FSC-Certified Paper

Seven & i Holdings is promoting use of paper with FSC® certification and PEFC certification, which leads to forest preservation. In March 2017, we started using FSC®-certified paper for paper board boxes in our Seven Premium private brand. As of February 28, 2018, FSC®-certified paper is used for 83 items including ice cream containers, and PEFC-certified paper is used 10 items.

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.

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, 2018)

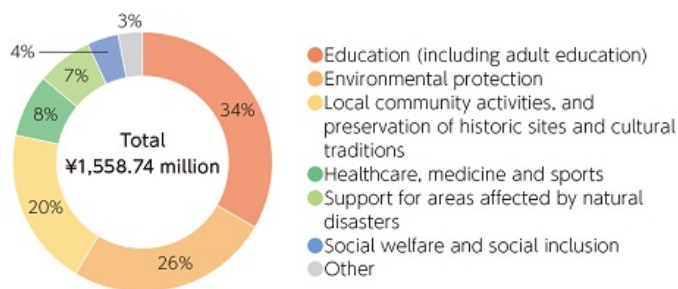
The social contribution activities provided by the Seven & i Group in the fiscal year ended February 28, 2018, including the provision of financial assistance or the donation of goods, and the personnel costs of employees involved in these activities, amounted to approximately ¥1.55 billion when converted into monetary terms. Of this total, cash donations were approximately ¥0.3 billion.

Social contribution activities costs in the fiscal year ended February 28, 2018

(Thousands of yen)

Category	Amount
Administration cost	1,153,905
Cash donations	306,079
Personnel costs of employees participating in activities during work hours	62,051
Cost of providing access to company facilities	29,122
Donation of goods	7,587

Social contribution activities cost in the fiscal year ended February 28, 2018



* 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 Social Contribution 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	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. ➤ Further details about shopping support can be found here
3. Dialogue with Organizations We Support	We confirm the results of activities reported by NPOs and other organizations to which 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	Every second year we conduct an Employee Opinion Survey of a sample of employees from 29 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. ■ Sample question: I believe my company: <ul style="list-style-type: none"> ● Builds good relationships with local communities. ● Conducts environmentally friendly business activities. ● Is actively engaged in social contribution activities. ➤ Further details about the Employee Awareness Survey can be found here

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, 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. 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 POS registers 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.

In the fiscal year ended February 28, 2018, donations for this storefront fund collection drive collected from customers and employees totaled ¥24,864,752.

Fund Collection Results for the Fiscal Year Ended February 28, 2018

(Yen)

Implementation Period	Days	Fund Detail	Amount
March 1 to May 31	92	Fund to Support Children's Futures	4,010,321
June 1 to August 31	78	National Federation of All Japan Guide Dog Training Institutions	6,912,724
(During the above period, July 6 to 19)	14	2017 Kyushu Flooding Disaster Recovery Fund	3,650,759
September 1 to November 30	91	Syrian refugee children education	4,656,406
December 1 to February 28	76	Fund to Support Reconstruction after the Great East Japan Earthquake	3,570,697
(During the above period, February 9 to 22)	14	February 2018 Eastern Taiwan Earthquake Relief Fund	2,063,845



A primary school for girls constructed with donated funds

Support for Training Guide Dogs

Seven & i Group companies support the training of guide dogs for the visually-impaired 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, 2018 were ¥582.31 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.



Social Contribution Activities through Donation of Products

Since August 2017, SEJ has been donating a portion of product inventories that arise during renovation of 7-Eleven stores and so on to Second Harvest Japan, a foodbank organization. Food products are donated to the needy through Second Harvest, and daily necessities are sold to volunteer staff members and supporters. The proceeds from the sales are used as operating funds for social contribution activities.

Seven Card Services paid the expenses for installation of the electronic money terminals used during sales of daily necessities and donated 3,000 nanaco cards with original designs to Second Harvest as a part of sales support.

SEJ signed an agreement with Yokohama City and the Yokohama City Council of Social Welfare in April 2018 and began donating product inventories that arise during 7-Eleven store renovations to the Council. The Council distributes the donated products to organization and facilities that support seniors, persons with disabilities, children, and the needy, promoting social welfare.



Presentation ceremony for nanaco cards donated to Second Harvest Japan



Collaboration and cooperation agreement signing ceremony with Yokohama City and the Yokohama City Council of Social Welfare

Overseas Initiatives

Business Operations in North America

Seven & i Holdings operates convenience stores in North America.

7-Eleven, Inc.



Net sales: ¥3,134,412 million (Total store sales)
Number of stores: 8,670

[> More](#)

SEVEN-ELEVEN HAWAII, INC.



Net sales: ¥33,101 million
Number of stores: 64

[> More](#)

* Exchange rate USD1 = ¥112.16

* Number of stores as of December 31, 2017

Initiatives in China

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

Convenience Store Business

[> More](#)

SEVEN-ELEVEN (BEIJING)



Net sales: ¥24,458 million
Number of stores: 247
Established: January 2004

SEVEN-ELEVEN (TIANJIN)



Net sales: ¥5,364 million
Number of stores: 118
Established: November 2012

SEVEN-ELEVEN (CHENGDU)



Net sales: ¥4,042 million
Number of stores: 87
Established: December 2010

Superstore Business

[> More](#)

Chengdu Ito-Yokado Co., Ltd.



Net sales: ¥71,638 million

Number of stores: 7

Established: December 1996

Hua Tang Yokado Commercial Co., Ltd.



Net sales: ¥6,826 million

Number of stores: 1

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

7-Eleven, Inc.

Reducing Environmental Impact

7-Eleven, Inc. remains focused on doing its part to reduce the company's impact on the environment. In 2017, the company continued to make progress by implementing sustainability measures that focus on energy conservation and efficiency, and other environmental benefits.

【Environmental Goals(restates in 2017)】

- (1)Reduce CO_{2e} emissions in stores by 20% by 2027 (2015 baseline)
- (2)Shift to eco-friendly packaging for 100% of private brand products by 2027

※2027 is SEI's 100th anniversary.



Collaboration with External Organizations

7-Eleven, Inc. continued relationships with two organizations to help guide its environmental initiatives – Conservation International and Retail Industry Leaders Association.

Conservation International (CI), is a nonprofit organization dedicated to building a healthier, more prosperous and more productive planet through science, policy and partnerships. 7-Eleven is a member of CI's Business and Sustainability Council, a forum for corporate leaders taking positive environmental actions in their businesses, to explore mutually beneficial ways to further reduce its environmental impact. 7-Eleven is a member of the Retail Industry Leaders Association's Retail Sustainability Initiative (RSI). RSI is an industrywide educational forum for the largest U.S. retailers. It brings its members together to share leading practices, identify future trends, benchmark with peers, and collaborate on common industry sustainability challenges.

Promoting Energy Saving

7-Eleven is committed to reducing energy consumption and improving efficiency. In 2016, 7-Eleven, Inc. set a target to reduce the company's energy footprint in stores by 20% by 2025, compared with 2015 levels, measured in MTCO_{2e} per square foot. In 2017, 7-Eleven reduced its CO_{2e} emissions by 92,035 MTCO_{2e} year over year from 2016 and by 111,611 MTCO_{2e} from 2015. 7-Eleven has currently reduced MTCO_{2e} by 13.6% MTCO_{2e} per sq ft. from 2015 to 2017. This is equivalent to greenhouse gas emissions from approximately 19,800 passenger vehicles for one year. 7-Eleven reduced its environmental footprint by working with energy partners and through energy conservation and efficiency measures in stores, such as installing LED light fixtures, energy management systems and high efficiency heating, ventilation and air conditioning (HVAC) equipment. Between 2008 and 2017, 7-Eleven reduced electricity consumption in stores by an estimated 24.5%.

LED Lighting

LED lights are energy efficient, eliminate use of hazardous materials and comply with local regulations to reduce light pollution. They enhance the customer shopping experience and support store safety. 7-Eleven's LED lighting program is part of the company's energy-efficient design standard and is a significant contributor to the company's CO₂ reduction goals. As of December 31, 2017, more than 6,000 stores feature LED lighting. Stores that changed from fluorescent to LED lighting can achieve an estimated annual energy saving effect of 38,756 kWh per store.

Energy Management Systems(EMS)

7-Eleven stores energy management systems (EMS)s enable remote control of heating, ventilation and air conditioning (HVAC) and refrigerant equipment, which yield significant energy consumption. The systems monitor, control and optimize the performance of energy-consuming equipment, and generate real-time data to perform diagnostics and optimization routines to reduce energy consumption and manage costs. In 2017, the company continued to install EMS. Currently, nearly 6,000 stores have EMS installed, enabling stores to achieve an estimated energy savings effect of 16,323 kWh per store, per year.

Shifting Focus to Renewable Energy

In 2017, while maintaining the company's commitment to existing energy conservation projects, 7-Eleven, Inc. turned its focus toward renewable energy. 7-Eleven signed an agreement with TXU Energy to purchase 100 percent Texas wind energy for all its Texas stores located in competitive energy markets. This wind energy agreement, which impacts 425 stores, starts in 2018, and is expected to reduce 7-Eleven's carbon footprint by an estimated 6.7 percent while providing significant operating expense savings. With more than 10,000 wind turbines in the state, Texas ranks first in the United States for both installed and under-construction wind capacity, and is home to four of the top 10 largest wind farms in the nation.

External recognition for initiatives addressing environmental issues

■ Sustainability Choice Award

TXU Energy recognized 7-Eleven with its 2017 Sustainability Choice Award for its commitment to reduce the company's carbon footprint and choice of renewable energy for the business.

■ Stars of Energy Efficiency Award

In 2017, the Alliance to Save Energy awarded 7-Eleven® with the Alliance to Save Energy "Built Environment" award for its commitment to reducing energy consumption and improving efficiency in its stores. The award recognized 7-Eleven's for successfully decreasing electricity use in store operations by an estimated 21 percent between 2008 and 2015 through installing LED lighting, energy management systems and high-efficiency HVAC units. The Alliance to Save Energy is in its 25th year of recognizing innovators in the energy efficiency field and reward the hard work of those dedicated to saving energy.

Engaging our People in Climate Change

Climate change is a significant global problem that we encourage all our people to learn more about. At our 2017 national conference, SEI provided information on the effects of climate change, and gave pedometers to all attendees for our "Steps for Good" contest. For every 500 steps a participant took, 7-Eleven donated \$1 to help the environment. Participants walked more than 17 million steps – almost 8,600 miles – raising over \$34,000 for environmental initiatives. The money was donated to Conservation International (CI), an American nonprofit organization, to support efforts to educate people on ways to improve and stabilize the climate.

Use of Environmentally Friendly Containers and Packaging

7-Eleven is committed to continually looking for ways to improve product packaging. Many of our solutions are paper-based, derived from sustainable resources and, whenever possible, we work to reduce packaging materials without compromising product quality or safety. We focus on correct sizing and choosing materials that best fit and deliver our products in the most efficient manner. In 2017, SEI continued its commitment to packaging improvements through several packaging reduction initiatives.

2017 Highlights

- 7-Eleven evaluated several fresh food packaging designs and determined that the company could reduce materials and still maintain packaging quality and performance for breakfast and meal offerings.
- The breakfast sandwich package was switched from quilted hand wrap to a window bag, reducing the material by 25%
- The rectangle entrée package was made smaller and a plastic shrink band deleted, reducing the material by 10%.
- The large oval entrée package was reduced in size and a plastic shrink band deleted, reducing the material by 33%
- A downsized small oval entrée package without a plastic shrink band reduced materials by 37%

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

	2015	2016	2017
Number of stores	8,500	8,707	8,294
GHG emissions* ^{1,2} (1,000t-CO ₂ e)	903	883	791
CO ₂ emissions* ^{1,2} (1,000 t-CO ₂)	899	878	787
Electricity consumption* ¹ (GWh)	2,142	2,154	2,053
Water usage* ¹ (1,000 m ³)	8,878	9,040	9,793
Shopping bag usage (t)	2,969	2,625	2,780

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

※2 Audited by a third party

7-Eleven® Expands Sustainably Sourced Coffee

To provide high quality, environmentally friendly products, in 2017 7-Eleven, Inc. expanded its sustainably sourced coffee program with three Rainforest Alliance Certified varieties.

Nearly every major coffee-producing region of the world is under stress as changing weather patterns affect coffee production. By working with the Rainforest Alliance, SEI can help foster sustainable farming practices that protect natural resources.

The Rainforest 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' new 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.

- Single-Origin Coffee from Mexico

After introducing its first single-origin Rainforest Alliance Certified coffee, sourced from Nicaragua last year, 7-Eleven introduced its second single-origin sustainably-sourced coffee from Chiapas, Mexico. The Rainforest Alliance Certified coffee is made exclusively from beans harvested in the mountainous highlands of southern Mexico, an area known for its dense rain forests and ancient Mayan ruins.

- Permanent Single-Origin Colombian Coffee

7-Eleven made a significant product commitment to sustainability with the switch to a new Rainforest Alliance Certified single-origin Colombian coffee. Available year-round, the new 100 percent Colombian coffee replaced the version previously offered and is the company's first permanent coffee variety to switch to sustainable sourcing.

- Limited Time, Single-Origin Peruvian Coffee

For its next limited time, single origin coffee, 7-Eleven sourced beans from the Cajamarca region of Peru. As with its other single-origin, sustainably sourced coffee, the new coffee from Peru is Rainforest Alliance Certified. The Peruvian coffee is the third limited-time, single-origin coffee offered at 7-Eleven, the fourth largest coffee retailer in the U.S.

With the addition of the certified single-origin Colombian coffee as a permanent offering and other sustainable limited-time varieties in the future, between one-third and one-half of the 7-Eleven® coffee lineup will be Rainforest Alliance Certified.

As part of its CSR objectives, SEI will continue to seek out responsibly sourced coffees with less environmental impact. Coffee that carries the Rainforest Alliance 'Certified™ Seal and gives customers a premium cup of coffee and a feel-good way to start the day.

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, 2017, 7-Eleven, Inc. provided assistance to over 1,500 organizations totaling more than US\$3.40 million in monetary terms through donation drives and provision of supplies implemented by customers, franchisees, employees, and Head Office.

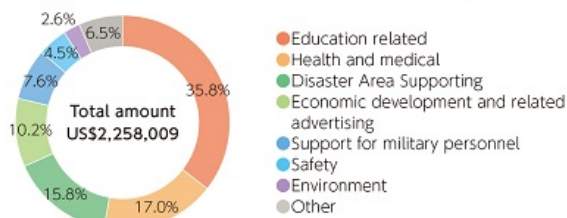
[Social Contribution Goal (restates in 2017)]

Increase corporate giving to 1% net income by 2027

※2027 is SEI's 100th anniversary.



Budgeted cash donations in the U.S. by SEI (2017)



* Budgeted amounts

Support for Youth Development

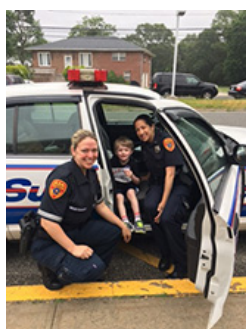
For the 22nd year, 7-Eleven® worked with law enforcement agencies across the country to distribute free Slurpee® drink coupons through Operation Chill®, 7-Eleven's popular community-service program that recognize kids for positive behavior.

Through Operation Chill, law enforcement officers from participating local police and sheriff's departments "ticket" youngsters caught in the act of doing good with Slurpee beverage coupons. The coupons help officers enhance relationships with the young people of their cities by rewarding them for good deeds, positive activities and acts of kindness.

Examples of rewarded behavior might include helping a person in need, deterring crime or participating in a community service activity. Each coupon can be redeemed for a small Slurpee drink at participating 7-Eleven stores.

In 2017, 7-Eleven issued more than 1.3 million Slurpee coupons to approximately 1,000 law enforcement agencies which, in turn, distributed most of those during the summer months and back-to-school season.

Since the program's inception in 1995, more than 19 million Operation Chill coupons have been distributed to hundreds of law enforcement agencies across the country in areas where 7-Eleven operates stores.



Support for Children's Education

Developing our youth is an important investment to ensure kids have a strong foundation to become responsible and productive citizens. 7-Eleven's Project A-Game program helps kids develop their full potential by funding education, fitness, safety and hunger relief programs that can set them up for success.

Franchisees who identify a need in their community can apply for a Project A-Game grant on behalf of a school, youth sports program or community organization in their store's neighborhood. The grant is jointly funded by Franchisees and the company and helps provide critical funding for program expenses.

In 2017, more than 620 grants were awarded - a community investment of approximately \$515,000. Grants helped underwrite a variety of initiatives that help kids stay focused, in school and on track including, positive behavior programs, athletic teams and after school activities. Since the program's inception in 2012, nearly 3,500 grants have been awarded, totaling approximately \$2,000,000.



Fighting Youth Hunger

In the United States, 13 million, or 1 in 6 children, face hunger and may not know where they will get their next meal. Getting the energy kids need to learn and grow can be a daily challenge. Fresh produce is in high demand by food banks and is important to good nutrition, especially for children.

In 2017, for the 4th consecutive year, 7-Eleven, Inc. joined the Feeding America network of food banks in a pay-it-forward campaign to buy bananas for food-insecure individuals and families in the U.S. 7-Eleven® customers were offered a quick and easy way to help by purchasing two bananas for \$1, that were donated to Feeding America and distributed through its network of local food banks to families in need. For every two bananas donated by a customer, 7-Eleven also contributed an additional dime for the Feeding America network. This program provided an opportunity for 7-Eleven customers to get involved in one of the most pressing issues our country is facing and support hunger-relief efforts at a vital time during the holiday season.

The mission of Feeding America, the nation's leading domestic hunger-relief charity, is to feed America's hungry through a national network of 200-member food banks and engage the country in the fight to solve hunger. Its member food banks supply food to more than 46.5 million Americans each year, including children and seniors. 7-Eleven and its customers donated approximately 725,000 bananas and nearly \$35,000 in cash contributions to benefit 22 regional Feeding America member food banks where 7-Eleven operates stores.

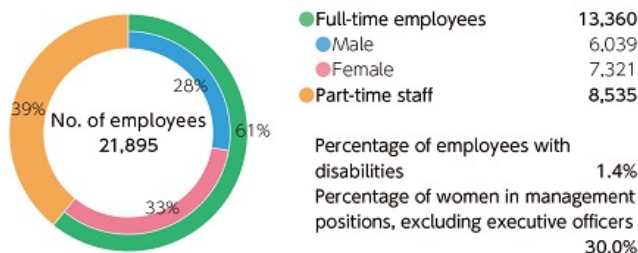
FOR ONLY \$1
TOGETHER WE'RE FEEDING AMERICA



Creating fulfilling workplaces

Employees with strong abilities are vital for SEI to achieve its business goals and objectives. SEI understands the value of learning and development to build employee competencies for personal growth and to maximize employee potential.

Personnel data in the U.S. and Canada (as of 31,2017)



Initiatives in North America

> [For information on Seven-Eleven Hawaii, please follow this link.](#)

Seven-Eleven Hawaii

In March 2016, Seven-Eleven Hawaii (SEH) 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. First, all employees are encouraged to nominate people they think are practicing the three values. Then, the selected people are given a badge and a bonus and are introduced in the company newsletter and on an employee-only Facebook page.

These values define SEH 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.

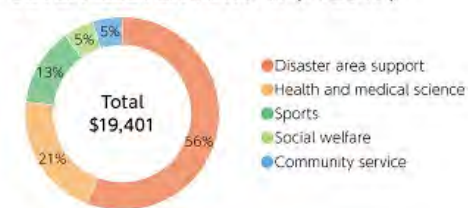


Thriving with Local Communities

As a good corporate citizen, SEH supports activities and NPOs involved with children, education, public welfare, and health.

In 2017, the equivalent of approximately \$39,000 in support was provided to 44 organizations through fundraising, material support, and volunteer activities on the part of SEH customers, stores, employees, and the company.

Amount of cash donations by SEVEN-ELEVEN HAWAII (FY2017)



Supporting NPOs through Storefront Donations

SEH has been collecting storefront donations to support various NPOs that contribute to the local community since it began operations. Organizations that wish to receive donations submit an application stating their mission and why they want to participate in the organization, and each month, one organization is selected as the recipient. The selected organizations are active in fields such as health, safety, and education, and the donated funds are used throughout Hawaii. In the fiscal year ended February 28, 2018, approximately \$80,000 were donated.

Social Contribution through the Sale of Coupon Books

Since 2001, SEH has sold Lima Kokua (Helping Hands) Coupon Books to schools, sports teams, and other non-profit organizations. The organizations that purchase the coupon books, which can be used in all SEH stores, earn a profit by selling them to third parties.

SEH supports the activities of these NPOs through the sale of the coupon books.

In the fiscal year ended February 28, 2018, 33 organizations used the system. Many of these were repeat orders, showing that the books have been popular.



Lima Kokua Coupon Book System



Supporting Solutions to Social Issues through Event Sponsorship

SEH undertakes social and cultural contribution programs to support solutions to issues concerning Hawaii's children, health, environment, and other topics. One aspect of these programs we support for the Hawaii Ag and Culinary Alliance. The mission of the Alliance is to support activities relating to culinary arts, agriculture, environmental stewardship, culture, and education in Hawaii. Its programs are exempt from taxation under US tax laws*.

In August 2017, a total of \$50,000 collected through storefront donations and a charity golf tournament was donated. The annual charity golf tournament is held in collaboration with business partners to collect funds used to support local NPOs. The 39th tournament was held at the Mid-Pacific Country Club on August 7, 2017.

Support was also provided to the Hawaii Food & Wine Festival (HFWF), one of the Alliance's events, held on November 3. Leading chefs and winemakers gather for the HFWF to present creative and artistic cuisine using local ingredients. During this program culinary school students work with leading chefs, making it a valuable experience. The collected funds are donated to NPOs that support local traditional cuisine, culture, and agriculture. Since 2011, a total of \$1.7 million has been donated.

* Under Section 501(c) of the United States Internal Revenue Code (USC 26), organizations whose purpose is religious, educational, charitable, scientific, literary, testing for public safety, to foster amateur sports competition, or prevention of cruelty to children or animals, are exempt from taxation.



The charity golf tournament

Expansion of Health-Conscious Foods

It is said that a majority of adults in Hawaii suffer from obesity or chronic disease, making this a serious issue. One of the causes is an unbalanced diet. To curtail increases in obesity and chronic disease, the Hawaii Department of Health launched the Choose Healthy Now (CHN) program to improve nutrition through education.

SEH, which seeks to be a lifestyle brand, believes that it can play an important role contributing to the improvement of health in local communities and supports the CHN program. SEH and local health authorities selected health-conscious products from among its lineup and placed the Choose Healthy Now logo on them, to make the products easier to identify. By undertaking CHN activities at the 64 stores that SEH operates throughout the state, the company is producing a positive impact by making it easier for customers to make healthier choices and lead more enriching lifestyles. Hawaii First Lady Dawn Amano-Ige, wife of the governor, submitted recipes, and SEH developed sandwiches recommended by the Department of Health.

In preparation for participation in these programs, SEH began displaying the CHN logo in stores on September 4, 2017 and held a press conference for the media on September 8. To cooperate with educational activities, SEH representatives appeared on a television program about local lifestyles and discussed how various health-conscious products can be selected at SEH stores.

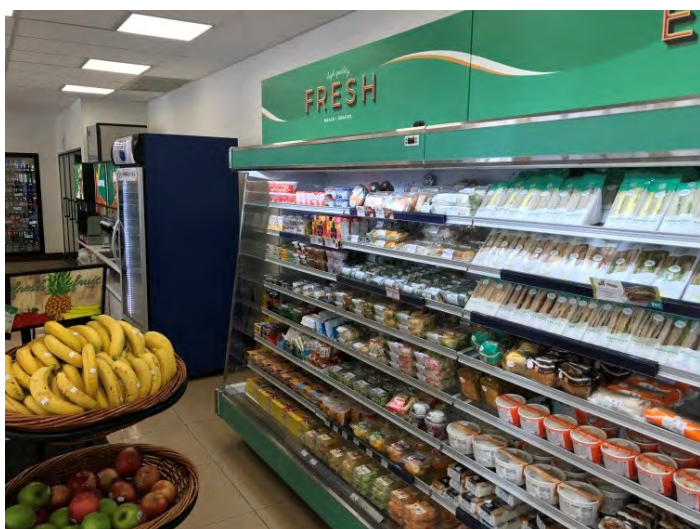
These programs hold particular social significance not just for SEH, but also for customers, through the provision of healthier lifestyles, and we will continue to focus efforts in these areas.



Display of the YOU CAN Choose Healthy Now logo in a store

Reducing Environmental Impact

SEH has been working on an initiative named the Energy Smart Program, to reduce energy consumption, since 2012. Under the program, SEH 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 inverters in vaults and freezers and changing vault lighting to LED illumination. To raise energy conservation awareness among employees, the company has provided them with environmental education.



Number of SEH Stores and Environmental Data Associated with Store Operations

	2013	2014	2015	2016	2017
Number of stores	59	60	63	63	65
Electricity consumption (MWh)	17,848	18,246	18,399	18,097	18,334
Water consumption (thousand m ³)	48	44	46	46	47

Initiatives in North America

> [For information on 7-Eleven, Inc., please follow this link.](#)

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 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 2017, 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. Beijing Wang-Yang Foods acquired HACCP*1 certification in March 2018 with the aim of raising quality levels even further. At the JEANAVICE Factory, Chinese plant managers and the manager of the quality control division attend the HACCP inspections of daily food processing plants that are implemented annually by Seven-Eleven Japan, and the manager of the quality control division obtained qualification as an internal inspector under FSSC 2200*2.

Yuanqi Food Co., Ltd., which functions as an exclusive plant of SEVEN-ELEVEN (CHENGDU), relocated to a new plant in the fiscal year ending February 28, 2019. As a result, manufacturing processes that were previously performed manually have been automated, enhancing the stability of product quality.

*1 HACCP (Hazard Analysis and Critical Control Point) food sanitation management method

*2 A food safety management system certification

Giving Consideration to Health

In response to an increase in health-conscious customers, the three companies are working to provide products with a good nutritional balance.

In 2016, SEVEN-ELEVEN (BEIJING) renewed its boxed lunches based on the concept of "Abundant vegetables, low calories and healthy." It also started display calorie information at the same time.

Also, trans-fatty acids, which are said to increase the risk of heart disease, were successfully reduced to zero in the original room-temperature bread products of SEVEN-ELEVEN (BEIJING) and SEVEN-ELEVEN (TIANJIN).

In the fiscal year ended February 28, 2018, SEVEN-ELEVEN (TIANJIN) began supplying fried tomato and egg as well as eggplant dishes that use contaminant-free vegetables that meet national standards for residual agricultural chemicals, nitrates, and so on.

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 shared with departments and stores on a daily basis. In addition, in order to grasp changes in customer needs and reflect them in products, SEVEN-ELEVEN (CHENGDU) conducts annual surveys while SEVEN-ELEVEN (TIANJIN) conducts surveys every other year. In the fiscal year ended February 28, 2018, SEVEN-ELEVEN (CHENGDU) received responses from 1,023 customers and based on the results, launched a delivery service.

In order to further improve the customer service provided by employees, the three companies conduct training and established award programs. SEVEN-ELEVEN (CHENGDU) conducts store employee training that includes 15 minutes of customer contact simulation. Starting in the fiscal year ended February 28, 2018, SEVEN-ELEVEN (TIANJIN) has been conducting cash register customer contact training at model stores. The training has produced significant effects including improvements in cash register customer contact of 50 points or more are being seen after the training compared to before, and consequently, the company plans to introduce the training to all stores starting in the fiscal year ending February 28, 2019.

SEVEN-ELEVEN (BEIJING) created customer service awards to recognize employees who provide outstanding customer service. The awards are presented in a group ceremony every three months. 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.



Presentation of awards by SEVEN-ELEVEN (BEIJING)

Thriving with Local Communities

Each company conducts social contribution activities as members of their local communities.



Environmental Preservation Measures through In-Store Donations

SEVEN-ELEVEN (BEIJING) installed collection boxes in stores and has been collecting money from customers since November 2006. The funds are donated to the Beijing Green Fund, an officially-recognized environmental preservation organization. The Fund uses donations from the public to plant trees as countermeasures against sandstorm damage and desertification, creating tree fences that prevent sand movement in and around Beijing.

In the fiscal year ended February 28, 2018, a total of 126,434 yuan was donated in July. SEVEN-ELEVEN (BEIJING) plans to implement a new program to donate a portion of product sales proceeds to the Beijing Green Fund in the fiscal year ending February 28, 2019.

Donation amounts

FY2015	FY2016	FY2017
147,763 yuan	148,189 yuan	126,434 yuan

Support for Children

Since 2013, SEVEN-ELEVEN (CHENGDU) has continuously provided support for Benevolence House, a home for children with brain disorders. In 2017, employees visited the facility in August and December to play games with the children and participate in a Christmas event and a birthday party. The employees provided entertainment and delivered toys and other presents to the residents.

In addition to supporting Benevolence House, in the fiscal year ended February 28, 2018, SEVEN-ELEVEN (CHENGDU) donated 100,000 yuan as relief aid for the landslides that occurred in Mao County, Sichuan Province in June. In recognition of this donation, the company received a Certificate of Appreciation from the Chengdu Charity Foundation.

Value of Goods Donated to Benevolence House by SEVEN-ELEVEN (CHENGDU)

FY2015	FY2016	FY2017
800 yuan	1,937 yuan	1,826 yuan



A visit to Benevolence House

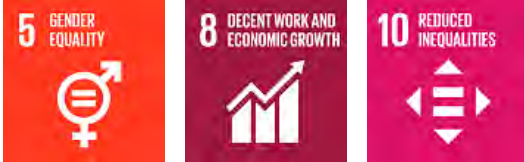
Cleanup Drives

SEVEN-ELEVEN (CHENGDU) has designated each July 11 as "7-11 Day" since 2012. On that day, all Head Office employees collect rubbish and waste in the area of the Head Office with the aim of contributing to creating a clean urban environment.



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 train 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. SEVEN-ELEVEN (TIANJIN) conducts training of AFC (OFC assistant) candidates selected from among employees who work at stores to provide knowledge about OFC duties and enhance managerial skills. They accompany veteran OFCs during store visits and address store improvement issues. At the conclusion of the training, the candidates give presentations on proposals for store improvement and earn their AFC qualifications.

At weekly meetings of OFCs, company policies are shared and training is conducted to enhance work skills such as communicating effectively with franchise stores. SEVEN-ELEVEN (CHENGDU) conducts training of Head Office employees on corporate structures, laws and approaches regarding operations, business etiquette, PC operation, and other topics.



Systems to Raise Employee Motivation

Various initiatives are implemented to provide opportunities to raise employee motivation and 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 the fiscal year ended February 28, 2018, six employees were transferred to requested divisions under this program. SEVEN-ELEVEN (BEIJING) gathers opinions from employees and has established structures for conducting interviews when renewing employment contracts and when employees separate from the company in order to make improvements. The Company conducted surveys on career motivation among OFCs and store managers in FY2016 and FY2017 and reflected the results through changes to training and pay systems and the workplace environment.

Examples of systems for raising employee motivation

- 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
- Conduct questionnaires on motivation
- Share information about role models among employees by conferring awards upon talented employees



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.

In the fiscal year ended February 28, 2018, SEVEN-ELEVEN (BEIJING) clarified and comprehensively implemented rules on company results, individual evaluations, and determination of bonuses in order to accurately reflect the company's results and individual work performance in wages.

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. In order to conduct thorough management, starting in the fiscal year ended February 28, 2018, each month SEVEN-ELEVEN (BEIJING) sends information on the status of overtime work and use of annual paid vacation time in the previous month to the heads of each division and reinforced the provision of guidance by supervisors to the responsible personnel. In addition, management of overtime work is an item of store manager monthly evaluations, and appropriate shift and personnel management is performed.

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 director was appointed at SEVEN-ELEVEN (TIANJIN). Appointments continued in 2017, and women currently occupy approximately half of the non-executive managerial positions at the three companies. In March 2018, SEVEN-ELEVEN (BEIJING) appointed women in the roles of vice president and director.

Internships

With the aim of hiring outstanding human resources, hiring local personnel, and promoting the education of youth, SEVEN-ELEVEN (TIANJIN) conducts internships and has been recognized by the government as a youth employment intern base that promotes the employment of young people who have graduated from high school. In the fiscal year ended February 28, 2018, SEVEN-ELEVEN (TIANJIN) accepted 27 interns, of which 10 gained employment with the company.

Employee-Related Data (As of December 31, 2017)

	SEVEN-ELEVEN (BEIJING)	SEVEN-ELEVEN (TIANJIN)	SEVEN-ELEVEN (CHENGDU)
Full-time employees (Male and female)	599 (316 · 283)	221 (90 · 131)	279 (127 · 152)
Part-time staff Number of employees	940	371	822
Ratio of employees with disabilities	2.0%	2.7%	3.6%
Ratio of women in management positions, excluding executives	58.4%	48.5%	59.2%

Reducing Environmental Impact

The Chinese government has been putting great emphasis on climate change issues. In Beijing, companies with annual CO₂ emissions in excess of 5,000 tons are subject to upper limits on emissions in each industry as major emitters and must purchase emissions credits for the excess portions. SEVEN-ELEVEN (BEIJING), which subject to this program, saw electricity consumption per store decline in the fiscal year ended February 28, 2018 compared to the previous year, but emissions exceeded the limit as a result of an increase in the number of stores and expansion of coffee machines, and consequently, the company purchased emissions credits for 7,000 tons. Similarly, SEVEN-ELEVEN (TIANJIN) and SEVEN-ELEVEN (CHENGDU) also reported lower electricity consumption per store compared to the previous year but higher total electricity consumption.



Energy Conservation Measures at Stores

The three companies installed LED illumination in all stores in the fiscal year ended February 28, 2018. Other measures to reduce electricity consumption were also implemented, such as installing curtains in walk-in refrigerators to prevent the outflow of cold air, installing energy-saving equipment, and conducting education to raise customer awareness. In the fiscal year ending February 28, 2019, LED illumination will be installed in new stores, and SEVEN-ELEVEN (CHENGDU) plans to install inverter type refrigeration equipment.



A curtain installed in a walk-in refrigerator

The three companies also implemented the following initiatives in the fiscal year ended February 28, 2018 as part of the 7-Eleven Global Campaign to Fight Climate Change*.

(1) Seminars held for all employees

Share materials were prepared and employees were instructed on the causes and effects of climate change, international trends, developments concerning the Chinese government, measures for saving electricity as stores, and other topics. The seminars were held from June through the first week of July during portions of managerial conferences, FC meetings, and morning meetings, and were conducted at individual stores for employees.

(2) In-Store Implementation

During the week of July 11, posters in the Seven Rules of Electricity Conservation were displayed in store backrooms and energy conservation measures such as washing filters were implemented.



* SEJ and 11 overseas Seven-Eleven operating companies implemented measures to mitigate the effects of climate change around July 11 (7/11) in line with the "Seven-Eleven" name.

Environmental Data

SEVEN-ELEVEN (BEIJING)

	2013	2014	2015	2016	2017
Number of stores	150	175	187	219	247
Electricity consumption (MWh)	19,648	19,366	18,122	24,856	25,702
Water usage (1,000 m ³)	69	73	75	96	83

SEVEN-ELEVEN (TIANJIN)

	2013	2014	2015	2016	2017
Number of stores	56	60	70	82	118
Electricity consumption (MWh)	8,472	6,164	5,278	7,027	10,077
Water usage (1,000 m ³)	21	20	18	24	34

SEVEN-ELEVEN (CHENGDU)

	2014	2015	2016	2017
Number of stores	66	60	67	87
Electricity consumption (MWh)	7,319	7,746	6,031	7,892
Water usage (1,000 m ³)	28	24	18	24

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 as feedstock for a pig farm. 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 and conduct periodic investigations of smoke emissions from the perspective of preventing atmospheric pollution.

List of Awards Received in the Fiscal Year Ended February 28, 2018

SEVEN-ELEVEN (BEIJING)	Employer that Promotes the Employment of Disabled Persons	Dongcheng District Disabled Persons (Disabled Persons Association)
SEVEN-ELEVEN (TIANJIN)	China Best Employer Nomination Award	Sponsored by the Zhilian Recruitment and Beijing University Corporate Social Responsibility and Employer Brand Advertisement Research Center
SEVEN-ELEVEN (CHENGDU)	Most Charitable Company Award	Chengdu Charity Federation

Initiatives in China

➤ [For information on the superstore business in China, please follow this link.](#)

Initiatives in China

Message from Chairman

Ito-Yokado launched its China business with the opening of the Chunxi Store in Chengdu City in November 1997, and in 2018, we marked 21 years of business in Chengdu and Beijing. This success is due to the support of customers, business partners, shareholders, local communities, and employees, and for this I am grateful. During this period, we have adapted to various changes in the business environment based on our corporate philosophy “reliability and sincerity” and “customer first.” During the past 21 years, the Chinese economy has undergone remarkable development, consumer incomes have increased, and the middle class has greatly expanded in size. For the middle class, an “abundant lifestyle” has come to mean a “healthy lifestyle true to oneself.” People now want safe and secure foodstuffs, fashion that allows them to express themselves, highly convenient services that facilitate the effective use of time, and leisure time for engaging in sports and other interests. To meet these needs, we have focused on sales of “看得見的放心” food products with particular attention to safety and taste, hygiene management systems in plants and production sites, inspection systems, periodic confirmation of compliance with laws and regulations, and employee education on hygiene standards, quality control, safety-related laws and regulations and so on.

We are also taking ongoing measures to create comfortable shopping environments in stores by creating children play areas, expanding rest areas, and improving restroom environments, and have restaurants available for use as community areas. To do this, in May 2018, we implemented a large-scale renovation of the Asia Village Store in Beijing, the first since it opened. In the external environment, new services that make use of advances in information technology are steadily being created. In response, we established an electronic commerce company in Chengdu in 2017. We are advancing toward a retail business that integrates brick-and-mortar stores with the Internet. Furthermore, to fulfill our corporate responsibilities, we continue to implement measures to reduce CO₂ in order to curtail environmental impact and we undertake volunteer activities targeting seniors and children. Chinese society is changing at a tremendous pace. In the future, we will continue listening to the opinions of local communities and work to be a company that is trusted by local residents and grows in tandem with communities.



Ito-Yokado (China)
Investment Co., Ltd.
Hua Tang Yokado
Commercial Co., Ltd.
Chengdu Ito-Yokado
Co., Ltd.
Chairman
Makoto Imai

China Business History

Year	Event
1996	Request to establish superstore received from government of China and Chengdu in Sichuan Province
December 1996	Chengdu Ito-Yokado Co., Ltd. established in Chengdu
September 1997	Hua Tang Yokado Commercial Co., Ltd. established in Beijing
November 1997	Chunxi Store opens in Chengdu
December 2001	Asian Games Village Store opens in Beijing
September 2003	Shuangnan Store opens in Chengdu
December 2007	Jinhua Store opens in Chengdu
November 2009	Jianshe Road Store opens in Chengdu
November 2011	High-tech Store opens in Chengdu
January 2014	Wenjiang Store opens in Chengdu
2014	Then-Chairman Tomohiro Saegusa named an Honorary Citizen of Chengdu, a first for a Japanese manager of a private company
January 2017	Meishan Store opens in Meishan
April 2017	Chengdu Ito-Yokado E-commerce Co., Ltd. established in Chengdu

Company Overview

	Chengdu Ito-Yokado	Hua Tang Yokado Commercial
		
Net Sales	¥72,300 million	¥6,800 million
Number of employees	3,150	196
Number of stores	7 stores (Chunxi, Shuangnan, Jinhua, Jianshe Road, High-tech, Wenjiang, Meishan)	1 store (Asian Games Village)
Established	December 1996	September 1997
Chairman	Makoto Imai	Makoto Imai
President	Tsugumi Ko	Makoto Imai
CSR Promotion Structure	CSR Management Committee	Corporate Ethics and Culture Committee
	Corporate Ethics and Culture Subcommittee	Corporate Ethics and Culture Subcommittee
	Consumer Affairs and Fair Business Practices Subcommittee	Environmental Subcommittee
	Environmental Subcommittee	
	Information Management Committee	

* The number of employees and number of stores are as of December 31, 2017.

* Exchange rate of CNY1 = ¥16.62

* Net sales does not include value added tax

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 curriculum for an online 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 is returning to the origins of business, working to ensure that all employees are aware of the Corporate Creed and Corporate Action Guidelines. The Environmental Subcommittees at both Chengdu Ito-Yokado and Hua Tang Yokado Commercial seek to save electricity and water and have advanced discussions toward store operations that take energy conservation into consideration with specific targets for reduction. 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.

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 of the guidelines at the end of this report. The CSR report for the fiscal year ended February 28, 2018 was published in July 2018, with plans to distribute it to attendees at the Sichuan Province CSR report presentation meeting and at meetings for the general public and to submit it to a conference of the Chinese Academy of Social Sciences.



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 control departments receive education on safety laws and regulations, production and processing standards, hygiene standards, and other aspects. About 370 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.

Hua Tang Yokado Commercial conducts quality control training for foodstuff employees four times annually to ensure strict compliance with quality control standards.

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, 2018, Chengdu Ito-Yokado audited its business partners 21 times, and Hua Tang Yokado Commercial audited its business partners 6 times.

Provision of Traceability Information

From 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 ended February 28, 2018, the “看得見的放心” product range was increased further to approximately 22 lines with the addition of eight new lines. These products have proven popular with customers who have a particularly strong interest in food safety and reliability.

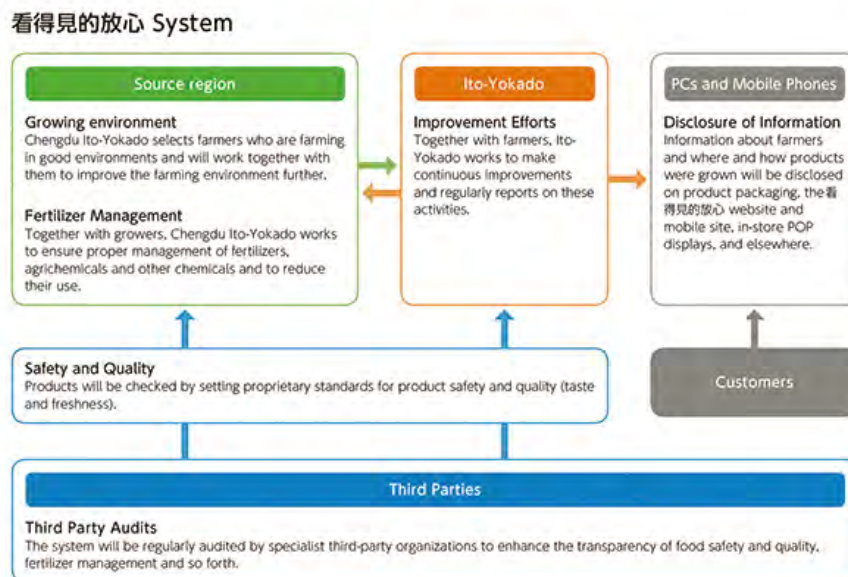
In the fiscal year ended February 28, 2015, Hua Tang Yokado Commercial started selling organic foods in cooperation with farmers by establishing rigorous food safety management systems and drawing up annual cultivation plans. In the fiscal year ended February 28, 2018, we began handling hydroponic produce that is cultivated in a safe and secure environment. Furthermore, the company continued sales of “放心肉項目” meat products (meat products that can be consumed with confidence), which enable customers to confirm the meat producer using consoles installed in sales areas.



The “看得見的放心”brand logo



“看得見的放心” product display



Quality Supervision System and Meetings with Customers

Since the fiscal year ended February 28, 2009, Chengdu Ito-Yokado has appointed 10 customers at each store to act as quality supervision officers to help improve its products and stores with the customers who actually shop at the stores as the standard. 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. Quality supervision officers commented on the use of mobile phones by employees during work, and a new rule on the use of mobile phones during work was established to improve the situation.

In addition to quality supervision officers, we asked for cooperation from 70 customers and received 175 opinions. Based on these, we reviewed product volumes and took other steps to provide even better products.

Other efforts included making home visits to 5,809 customers living in our stores' neighborhoods to ask their opinions. In March, June, and September we conducted customer satisfaction surveys, asking for opinions from 29,016 customers.

Chengdu Ito-Yokado and Hua Tang Yokado Commercial also collect opinions via the Internet, telephones, opinion boxes, and instore conversations. In the fiscal year ended February 28, 2018, Chengdu Ito-Yokado received 18,336 opinions and Hua Tang Yokado Commercial received 13,953. Based on the opinions received, a series of simple and reasonably-priced bedding products was created, and the products have been well-received by customers. We value customers' opinions and we are establishing systems to create stores that reflect their wishes.

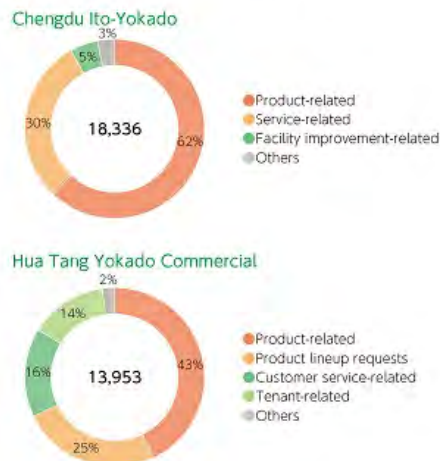


Chunxi Store: Customers taste test a new salad at a customer dialogue event



High-tech Store: Employees make breakfast sandwiches at a customer dialogue event

Breakdown of Customer Feedback



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 2017 it has made 20 donations that have supported 560 students. In the fiscal year ended February 28, 2018, the company donated 20,000 yuan to Japanese language students of Sichuan University and an additional 72,000 yuan to 30 outstanding students. Moreover, prior to Children's Day, the company donated 15,000 yuan 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.

Again this year, the company donated printers to the Jintang Sanliecun Friendship Elementary School and received thank you letters from the school and its students. 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, 2018 the company donated a total of 1,614,000 yuan through these social contribution activities.



Donations for Outstanding Students



Participants in the summer camp event

Volunteer Activities

During the fiscal year ended February 28, 2018, Chengdu Ito-Yokado personnel visited local households in poverty, disabled persons, and elderly people living alone to give them daily necessities on the occasions of the Spring Festival, the Dragon Boat Festival, the Mid-Autumn Festival, and the Double Ninth Festival. On Wednesday of the third week of every month employees at every store clean up the areas around the stores. At the Jianshe Road Store, cleaning personnel were presented hand cream at the end of the year to express appreciation for their work. The store also created sites where cleaning personnel can drink water free of charge.

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. For the most part, stores are operated by local employees: the ratio of Chinese employees in management positions, excluding executives, is 97.6% at Chengdu Ito-Yokado and 87.8% 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 59.9% at Chengdu Ito-Yokado, with female store managers at two out of the seven stores, and 44.5% at Hua Tang Yokado Commercial.

Employee Data (As of December 31,2017)

	Chengdu Ito-Yokado	Hua Tang Yokado Commercial
No. of employees	3,417	197
Part-time employees	267	1
Full-time employee turnover	17.0%	14.5%
Ratio of Chinese employees in management positions (%)	97.6%	87.8%
Ratio of women in management positions (%)	59.9%	44.5%
Number of employees with disabilities	44	9

Placing Importance on Gratitude, Inspiration, and Motivation

In 2017, Chengdu Ito-Yokado celebrated 20 years in business. To mark this significant milestone, the company held 20th anniversary commemorative ceremonies for local communities, conducted customer appreciation sales, and held parties for employees to express gratitude and raise morale. The parties were attended by some 5,000 employees from each of the Chengdu Ito-Yokado stores and their invited family members. The events enabled the company and employees to celebrate 20 years of business and express their gratitude to one another. The participants affirmed spirit of gratitude, inspiration, and motivation, on which Chengdu Ito-Yokado places particular importance, and sang and danced in unity to express their commitment to making the company even better in the future.



An employee appreciation party



A dance pledging to practice gratitude, inspiration, and motivation toward customers

Practicing Gratitude, Inspiration, and Motivation

- (1) Courtesy and an attitude of gratitude towards customers
- (2) Products and stores that inspire customers
- (3) Customer service that motivates customers

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. In the fiscal year ended February 28, 2018, Chengdu Ito-Yokado enhanced the curricula of its correspondence programs for improving employees' primary qualification capabilities and workplace operation skills and added other operational and functional curricula (from production, packaging, meat products, register operation) to foster human resources who can undertake the five strategies (Topic Strategy, Product Strategy, Private Brand Strategy, Service Strategy, and Made in Chengdu Strategy). We introduced an online remote education system to facilitate training with enhanced content at remote sites.

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 in-store operational skills contests and have even had on-site customers score employees to select winners, encouraging employees to improve through friendly competition. At Hua Tang Yokado Commercial, on Monday of the first week of each month, awards are presented to outstanding employees and to the 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 sore employees.



Operation skills contest (Chengdu Ito-Yokado)

CSR Education

In 2017, Chengdu Ito-Yokado established an action plan related to CSR and moved toward implementation. During this fiscal year, particular efforts were put into waste processing: a specialized waste sorting company was invited to conduct training on waste sorting, and in-store trash bins were changed to receptacles that allow waste to be sorted. We value limited resources and convey the important of effectively using resources.

Hua Tang Yokado Commercial focused its efforts on developing human resources capable of acting in accordance with the Corporate Creed and Corporate Action Guidelines by holding internal control conferences, management conferences with each company, training conferences, and so on. Employees were trained on compliance with the "reliability and sincerity" aspect of the Corporate Creed and the social requirement that we remain a trusted 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, 2018, 2 people were assigned to their desired workplace out of 8 applicants.

Promise Regarding the Environment



Initiatives to Reduce Greenhouse Gas Emissions

Concern over air pollution and other environmental problems is growing in China, and as the government also establishes policies as a leading environmental nation and tightens regulations, Chengdu Ito-Yokado and Hua Tang Yokado Commercial are working to reduce their environmental impact through measures such as installing energy-efficient equipment. New stores were fitted with the latest, highly-efficient refrigeration systems, and we invested in energy-saving equipment. In back rooms, we displayed posters encouraging employees not to use electricity wastefully. We also worked to save water through measures such as allowing frozen items to defrost naturally rather than using running water.

Chengdu Ito-Yokado conducted training on energy saving and performed comprehensive training and management for the Head Office and store employees on conserving electricity in particular, resulting in a reduction in electricity consumption per store to 92.5% of the previous fiscal year's level. In addition, CO₂ emissions in logistics were reduced by to 90.1% of the level in the fiscal year ended February 28, 2017. Energy use per store, however, increased by 15.0% year-on-year, and we will investigate future responses. The non-paper initiative implemented since the fiscal year ended February 28, 2017 has resulted in a reduction of 2.45 tons of paper compared to that fiscal year, a reduction of 561,500 sheets.

Hua Tang Yokado Commercial works to reduce its environmental impact by gathering products centrally before sorting and delivering them to each store. By continuously operating this scheme, the company contributes to reducing CO₂ emissions by cutting the number of delivery vehicles, easing urban traffic congestion, and preventing noise and atmospheric pollution.

Chengdu Ito-Yokado

	2015	2016	2017
Number of stores	6	6	7
Energy consumption (standard coal tons)	9,886	8,984	12,067
Electricity consumption (MWh)	78,582	83,110	89,743
Gas usage (1,000 m ³)	200	620	670
Water usage (1,000m ³)	747	827	965

Hua Tang Yokado Commercial

	2015	2016	2017
Number of stores	5	2	1
Energy consumption (standard coal tons)	4,340	3,418	1,414
Electricity consumption (MWh)	24,765	19,255	7,189
Gas usage (1,000 m ³)	448	4,489	380
Water usage (1,000m ³)	177	130	125

Award History (FY2018)

Chengdu Ito-Yokado and Hua Tang Yokado Commercial received the following awards in the fiscal year ended February 28, 2018, in recognition of its various initiatives.

Chengdu Ito-Yokado

Award Name	Presenting Organization
"Closest to Consumers" Award (Jinhua Store)	Chengdu Retailers' Association
2017 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 Retailers' Association
Fiscal 2017 Tax Payment Grand Prize	State Taxation Bureau of Wuhou District
Fiscal 2017 "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
2017 Contribution Prize	Sichuan Trade Council
Model Store for Safe and Reliable Consumption (Jianshe Road Store)	Chengdu Administration for Industry and Commerce
FY2017 Citizen Service Award	
Fiscal 2017 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
FY2017 China Model Commercial Assessment Ranking, "Popular Store with a Good Reputation" Award	Huaxi City Daily
Chengdu Star Model: Commercial Popularity Ranking Top 3	Sichuan Online
Chengdu Commercial Popularity Ranking Top 10	Sichuan Daily
National Fashion Tri-Cities Fashion Industrial Zone Commerce and Industry Leader Award	Toutiao

Hua Tang Yokado Commercial

Award Name	Presenting Organization
FY2017 Class A Tax Payment Reliability Company	Chaoyang State Taxation Bureau
2017 Leading Companies with Safest Production Systems	Chaoyang District Xiaoguan Subdistrict

Initiatives in China

➤ [Further information about the convenience store business in China can be found here](#)

Awards and Recognition by Outside Parties

Major Awards and Recognition in the Fiscal Year Ended February 28, 2018

Recognition or award name	Award sponsor	Reasons for recognition	Recipient
Special Award, Corporate Division, 11th Best Contributors to Product Safety Awards	Ministry of Economy, Trade and Industry	Recognition for organizational activities intended to address issues common to the entire group through the launch of the Seven & i Holdings QC Project, which is directly linked to management.	Seven & i Holdings
Sustainable Reporting Excellent Prize, Environmental Report Division, 21st Environmental Communication Awards	Ministry of the Environment Global Environmental Forum	Recognized for faithful reporting in two separate reports (integrated report and CSR report) of financial and non-financial data that companies are required to report and comprehensive report preparation in accordance with the SDGs regarding the Seven & i Group's measures to address priority issues.	Seven & i Holdings
Jisa Biz Promotion Award, Promotion Division Reiji Matsumoto Special Award	Tokyo Metropolitan Government	Recognized for its efforts to change commuting times through staggered working hours at the Head Office and display of posters at the entrances of 2,512 stores in Tokyo. Promoting mitigation of the commuting rush hour by emphasizing the benefits of staggered commuting times leads to varied effects including normalization of the times that customers visit stores to make a more comfortable shopping environment.	Seven-Eleven Japan
Grand Prize, FY2017 Nagoya City Women's Employment Promotion Business Certification and Commendation Program	Nagoya City	Recognition for positioning diversity as a management issue, spot daycare to address work on holidays, which is an issue in the retail industry, introduction of company daycare centers as a form of store support, and measures to create systems that facilitate work by diverse human resources.	Seven-Eleven Japan
16th Green Roof and Wall Technology Contest, Nihon Keizai Shimbun Award	Organization for Landscape and Urban Green Infrastructure	Since it opened in April 2015, the Seibu Ikebukuro rooftop Dining Garden has provided urban residents comfort throughout the four seasons. It also serves as a habitat for insects and birds in the city. Sogo & Seibu was recognized for its contributions to preserving and promoting green spaces and increasing educational measures.	Sogo & Seibu

Recognition or award name	Award sponsor	Reasons for recognition	Recipient
1st place in Retail and Restaurant Category, 21st Environmental Management Survey 2017	Nihon Keizai Shimbun	Sogo & Seibu came in first place for the second consecutive year and third time overall. The company was recognized for undertaking environmental measures in agreement with its core business such as implementing Cool Choice and Cool Biz in the summer, promoting Alaska Seafood brand sustainable and natural fisheries products, tree planting and nurturing activities undertaken with customers, and trade-ins of children's shoes for reuse and support in developing countries.	Sogo & Seibu
KIDS DESIGN AWARD 2017	KIDS DESIGN ASSOCIATION	Five original products including Nine Free Extra Baby Milk Lotion and Baby Laundry Detergent free of six types of additives were recognized. This is the seventh consecutive year the company has received awards, and a total of 21 products have been recognized.	AKACHAN HONPO

➤ [Further information about the award history of the China superstore business can be found here.](#)

Major Recognition Regarding CSR (As of September 30, 2018)

Seven & i Holdings has been selected as a component of the following social responsible investing (SRI) indexes.



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. 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](#)



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](#)



The FTSE Blossom Japan Index is created by global index provider FTSE Russell. The index is designed to 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](#)



The MSCI ESG Leaders Indexes are free float-adjusted market capitalization weighted indexes 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 Leaders Indexes can be found here](#)

Seven & i Holdings' inclusion in the MSCI indexes and its use of the MSCI logo, trademark, service mark or index name are 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.



The STOXX ESG Leaders Index is an ESG investment index developed by STOXX, a German stock exchange group company. Selections for inclusion in the index are made based on ESG data provided by Sustainalytics.



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 \(in Japanese\)](#)



The SNAM Sustainability Index is used by SNAM Sustainable Operations, an investment management product operated by Sompo Japan Nipponkoa Asset Management Co., Ltd. (SNAM) for pension funds and institutional investors. SNAM Sustainable Operations make broad investments in companies with high ESG ratings. The portfolio is reviewed each year based on ESG surveys and about 300 stocks are selected. Our environmental undertakings were highly evaluated, and the company was selected for including in the index.

GREENHOUSE GAS EMISSIONS VERIFICATION STATEMENT

To: Seven & i Holdings Co., Ltd.



**BUREAU
VERITAS**

August 31, 2018

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 2018.

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:

- CO₂ 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.	20,286	April 1, 2017 through March 31, 2018
Ito-Yokado Co., Ltd.	176	
York-Benimaru Co., Ltd.	222	
Sogo & Seibu Co., Ltd.	19	
Seven & i Food Systems Co., Ltd.	601	
York Mart Co., Ltd.	80	
THE LOFT CO., LTD.	99	
AKACHANHONPO CO., LTD.	114	
SHELL GARDEN CO., LTD.	29	
Life Foods Co., Ltd.	221	January 1, 2017 through December 31, 2017
7-Eleven, Inc.	8,297	

- CO₂ emissions from energy use through the operations of four factories of Life Foods Co., Ltd. within Japan for the period of April 1, 2017 through March 31, 2018
- CO₂ emissions from energy use through the operations of one factory and three offices of IY Foods K.K. within Japan for the period of April 1, 2017 through March 31, 2018

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, 2017 through February 28, 2018
- Uniforms for store staff	
- Packaging materials used at stores	April 1, 2017 through March 31, 2018

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 1 119,693 t-CO ₂	Scope 2 3,089,996 t-CO ₂	Scope 3 Category 1 9,489,144 t-CO ₂ 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 (in Japan)

Challenges	Unit	FY2015	FY2016	FY2017
CO ₂ emissions*1	t-CO ₂	2,741,629	2,739,543	2,692,849
CO ₂ emissions from store operations*1	t-CO ₂	2,498,592	2,472,145	2,426,071
Electricity consumption in store operations*1	GWh	4,471	4,548	4,534
Water usage in store operations*2	1,000m ³		38,016	38,439

*1 For FY2015, totals are for nine companies: (SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo, THE LOFT and SHELL GARDEN). For FY2016, totals are for 10 companies due to the addition of Life Foods. For FY 2017, totals are for 12 companies due to the addition of IY Foods and Barneys Japan. For the calculation conditions, refer to the environmental data contained within each operating company's data sheet.

*2 Totals are for eight companies: (SEJ, IY, Sogo & Seibu, YB, York Mart, Seven & i Food Systems, Akachan Honpo and THE LOFT).

Group Personnel Data (in Japan)*1

Breakdown of number of employees (as of the end of February 2018)		(persons)
Full-time employees*2		25,506
	Male	18,619
	Female	6,887
Part-time staff*3		53,178
	Male	10,775
	Female	42,404
Number of employees (full-time employees + part-time staff)		78,684
	Male	29,394
	Female	49,291
New graduate employees hired		915
	Male	491
	Female	424
Mid-career employees hired		380
	Male	346
	Female	34
Turnover (full-time employees)*4		1,140
	Male	678
	Female	462

	FY2015	FY2016	FY2017	
Average length of service (full-time employees)	15 years 8 months	16 years 2 months	16 years 1 month	
	Male	17 years 6 months	17 years 5 months	
	Female	12 years 8 months	13 years 0 months	
Number of full-time employees who took childcare leave*5 (males, part-time staff)	1,015 (9, 411)	1,233 (10, 583)	1,199 (14, 593)	
Number of full-time employees who took nursing care leave*5 (males, part-time staff)	32 (11, 11)	50 (10, 33)	52 (5, 39)	
Number of volunteer leave recipients	15	27	17	
Number of female managers (percentage)*6	2,523 (26.2%)	2,521 (26.3%)	2,796 (26.8%)	
	Team leader	1,729 (30.3%)	1,754 (30.2%)	2,012 (30.9%)
	Section manager	707 (23.0%)	677 (23.0%)	695 (24.5%)
	Division manager	71 (9.5%)	74 (10.0%)	743 (7.6%)
	Executive officer	27 (14.5%)	27 (14.7%)	24 (13.2%)
Percentage of employees with disabilities*7	2.47%	2.51%	2.66%	
Percentage of paid leave taken	27.6%	34.7%	38.0%	

*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 sales in Japan.)

*2 Data includes 1,429 persons reemployed after mandatory retirement.

*3 Monthly average, 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 fiscal year (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. 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.

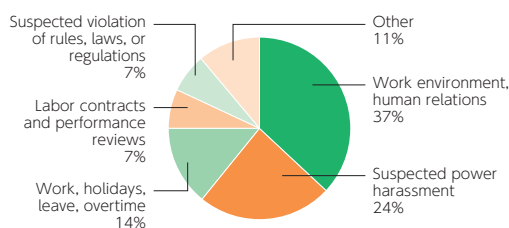
Groupwide Data for Consultation Services for Employees

At Seven & i Holdings, as part of Group-wide internal controls, we have established a Help Line for receiving consultation requests from external third-party organizations, and from internal employees.

This is a system that applies to both the employees of Seven & i Holdings and the employees of consolidated subsidiaries in Japan, 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.

	FY2015	FY2016	FY2017
Contacts received	844	845	1,047

Description of contacts received by Customer Response Service by topic for FY2017



Seven-Eleven Japan Co., Ltd.

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

Number of stores as of fiscal year ended February 28, 2018: 20,260

Providing Social Infrastructure in an Era with an Aging Society and Declining Population

FY2017 Targets/Results and FY2018 Targets

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

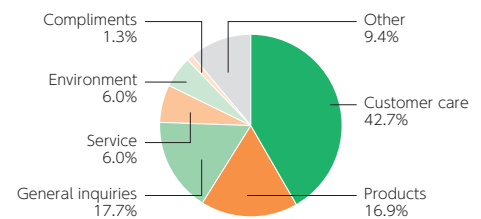
Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Supporting carers and seniors				
	<ul style="list-style-type: none"> ●Number of mobile stores: 70 Number of delivery vehicles such as electric vehicles: 1,000 Strengthen shopping assistance for customers who find it difficult to shop, including seniors and working women 	<ul style="list-style-type: none"> ●Number of mobile stores: 58 (74 by the end of May 2018) Number of delivery vehicles such as electric vehicles: 920 Mobile stores will continue to expand going forward. Delivery vehicles such as electric vehicles are separate from Geniee 	△	<ul style="list-style-type: none"> ●Number of mobile stores: 100 Continue implementing shopping assistance for customers who find it difficult to shop Complete entry into all areas across the country where stores are located, within the current fiscal year
Assisting in local community revitalization				
	<ul style="list-style-type: none"> ●At the same time as concluding a comprehensive agreement with a new local governments, proactively conduct ongoing initiatives related to societal issues, including senior support under the agreement 	<ul style="list-style-type: none"> ●As of the end of February 2018, comprehensive agreements have been concluded with 91 local governments Agreements for senior support have been concluded with 451 local governments, with coordination continuing beyond the conclusion of the agreements 	○	<ul style="list-style-type: none"> ●Utilizing the UI Turn policy that aims to expand initiatives to encompass regional development in addition to regional contributions, we will match the promotion of store openings with regional revitalization to encourage migration to and permanent settlement within the region

Providing Safety and Reliability through Products and Stores

Data from 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. We strive to improve both our customer service response rate as well as service quality. 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.

Description of contacts received by Customer Response Service by topic for FY2017
 Contacts received: 179,088
 (up 2.6% from the previous fiscal year)



FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> ● Review HACCP certification system and revitalize activities for the adoption of the HACCP system in FY2020 	<ul style="list-style-type: none"> ● Formulated a new food safety management system with an eye towards institutionalization of HACCP in dedicated factories for daily foods 	○	<ul style="list-style-type: none"> ● Move forward with obtaining food safety management system certification based on international standards for our original product manufacturing plants
Making stores and facilities more customer-friendly and reliable				
	<ul style="list-style-type: none"> ● New stores adopting barrier-free design (installing wheelchair-accessible toilets accessible): 1,000 ● Number of stores to have newly installed guard pipes to prevent vehicle "dive" accidents: 1,000 	<ul style="list-style-type: none"> ● New stores adopting barrier-free design (installing wheelchair-accessible toilets accessible): 956 ● Number of stores that have newly installed guard pipes to prevent vehicle "dive" accidents: 1,305 	△ ○	<ul style="list-style-type: none"> ● New stores adopting barrier-free design (installing wheelchair-accessible toilets accessible): 800 ● Number of stores to have newly installed guard pipes to prevent vehicle "dive" accidents: 800
Assuring appropriate information provision				
	<ul style="list-style-type: none"> ● Improve the frequency of updating CSR news ● Implement responsive web design/support to make it easy to browse on smartphones 	<ul style="list-style-type: none"> ● CSR news update frequency: 20 times (up 142.9% from the previous year) ● Responsive web design/support was implemented, and a viewing environment was established for smartphones and tablets 	○ ○	<ul style="list-style-type: none"> ● Improve the frequency of updating CSR news ● Update the "Initiatives for Society and the Environment" booklet and strive for information disclosure that is easy to understand
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> ● Increase speed of improvement by collaborating with departments in charge of matters frequently inquired about ● Strive to improve quality of responses to incoming calls 	<ul style="list-style-type: none"> ● Instituted a system that allows for relevant departments to be contacted immediately and improvements to be made when problems arise ● Made plans to enhance the call center system and enhanced the training system 	○ △	<ul style="list-style-type: none"> ● Expand the omni business model while strengthening coordination with related companies and responsible departments ● Active involvement in risk management
Providing support in times of disaster				
	<ul style="list-style-type: none"> ● Plan to implement effective training, including for business partners, and cooperate with national and local governments and so on, in order to fulfill the infrastructure functions, including the continuation of store operations at the time of a disaster 	<ul style="list-style-type: none"> ● Specified as a designated public institution and enhanced cooperation with government agencies such as the Cabinet Office and Ministry of Economy, Trade and Industry. Participated with each local government in emergency drills and confirmed that coordination was sufficient for emergencies 	△	<ul style="list-style-type: none"> ● Implement effective training, including for business partners, and enhance cooperation with the national government and local governments in order to fulfill infrastructure functions, including the continuation of store operations at the time of a disaster
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> ● Collaborate with prefectural police and local police stations in sharing holding information and so on, and achieve a participation rate for crime prevention drills and seminars of 50% or higher 	<ul style="list-style-type: none"> ● 6,897 stores (35.1%) participated in crime prevention drills and seminars. In addition to conventional theft prevention training, worked to revise the content and implement drills for special fraud prevention training and so on based on social conditions 	△	<ul style="list-style-type: none"> ● Collaborate with prefectural police and local police stations in sharing information, and achieve a participation rate for crime prevention drills and seminars of 50% or higher

Non-Wasteful Usage of Products, Ingredients and Energy

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Attaining an appropriate grasp of environmental impact				
	<ul style="list-style-type: none"> ● Reduce findings needing correction following regular ISO 14001:2015 audit to a level below FY2016 	<ul style="list-style-type: none"> ● Successfully reduced findings requiring correction following the regular ISO 14001:2015 audit to a level below the previous fiscal year (noncompliance was detected) 	△	<ul style="list-style-type: none"> ● Review the EMS system based on ISO 14001 and thoroughly inspect each departments' initiatives
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> ● Introduce even more highly energy-efficient store illumination for 3,000 stores (including replacements) ● Expand the number of hybrid vehicles within the logistics' deliveries fleet to 840 	<ul style="list-style-type: none"> ● Introduced even more highly energy-efficient store illumination for 3,170 stores (combined total of new stores and replacements) ● Expanded the number of hybrid vehicles within the logistics' deliveries fleet to 826 	○ △	<ul style="list-style-type: none"> ● Introduced new highly energy-efficient LED illumination for 5,000 stores or more (total including replacement stores) ● Expand the number of eco-friendly vehicles within the logistics' deliveries fleet to 970
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> ● Reduce plastic bag usage per store to a level below FY2016 ● Food product recycling rate: Achieve 54.4% or higher 	<ul style="list-style-type: none"> ● Plastic bags usage per store (FY2017: 887.7 kg) ● Food product recycling rate for FY2017: 54.3% 	○ △	<ul style="list-style-type: none"> ● Reduce plastic bag usage per store to a level below FY2017 ● Food product recycling rate: Achieve 55.0% or higher
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> ● A total of 1,800 or more employees to pass the Eco Test (increase the number employees who take the test to the Store Development Division, to develop eco-friendly neighborhoods) 	<ul style="list-style-type: none"> ● A total of 1,832 employees passed the Eco Test (increased the number employees who take the test to the Store Development Division, to develop eco-friendly neighborhoods) 	○	<ul style="list-style-type: none"> ● A total of 2,800 employees to pass the Eco Test ● Inform those who take the Eco Test about environment-related volunteer activities

Environmental Data

Challenges	Unit	FY2015	FY2016	FY2017
CO ₂ emissions* ¹ * ² * ³	t-CO ₂	1,648,386	1,652,789	1,672,443
CO ₂ emissions from store operations (per store)* ¹ * ³	t-CO ₂	1,451,605 (78.2)	1,430,723 (73.7)	1,449,109 (71.5)
CO ₂ emissions from logistics (per store)* ¹ * ⁴	t-CO ₂	193,750(10.4)	218,927(11.3)	220,357(10.9)
Electricity consumption in store operations (per store)* ¹ * ³	GWh(MWh)	2,665(144)	2,718(140)	2,807(139)
Water usage in store operations* ¹ * ⁵	1,000m ³	—	25,803	27,125
Plastic bag usage per store (by weight)	t	0.96	0.95	0.88
Waste disposal (recycling rate)* ⁶	t(%)	422,116(47.9)	422,116(45.4)	382,003(44.1)
Food waste recycling rate* ⁷	%	52.4	53.4	54.3

*1 The period of the calculations was from April to March.

*2 This data represents CO₂ emissions stemming from the use of energy in store, Head Office and logistics center operations and by delivery trucks.

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

*4 This data represents CO₂ emissions stemming from the use of energy for distribution center operation and delivery trucks.

*5 Calculations are based on estimated water usage in prefectural capitals and Tokyo.

*6 Calculations are based on estimated emissions by the stores in Tokyo, Kyoto, etc. The period of the calculations was from January to December. The amount of food waste was calculated based on the standard of *⁸

*7 Calculated based on the reports submitted by food recycling companies. The period of the calculations was from April to March.

Supporting the Active Role of Women, Youth and Seniors within and outside the Group

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Supporting development of employee abilities				
	●Use e-learning to implement education about compliance and CSR for all employees	●Used e-learning to implement education about compliance and CSR for all employees	○	●In addition to education about compliance and CSR for all employees who used e-learning, enhance compliance training for active store staff
Assuring fair assessment and treatment of employees				
	●Introduce a new evaluation system Aim to maximize the consolidation of target management together with the results	●Introduced a new evaluation system that includes target management	○	●Implement manager training for the development and further establishment of the evaluation system
Achieving a work-life balance				
	●Build flexible work styles, including a staggered working hours attendance system	●Carried out a test of the staggered working hours attendance system beginning in July and began preparations for the system's official implementation	○	●Begin utilizing the staggered working hours starting in April across the whole company and create more flexible work styles
	●Encourage employees to take more paid leave	●Beginning in FY2017, the rate of employees taking paid leave improved	○	●Get all employees to take five or more days of paid leave per year
Making use of diverse human resources				
	●Number of people with disabilities to be employed: 27 ●Percentage of female managers (Team leader or higher positions): 32%	●Number of people with disabilities that were employed: 17 ●Percentage of female managers (Team leader or higher positions): 31.0%	× △	●Number of people with disabilities to be employed: 37 ●Percentage of female managers (Team leader or higher positions): 32.0%
Assuring consideration for worker health and safety				
	●Reduce the number of traffic accidents and violations by 10% compared to FY2016 ●Reduce the number of workplace accidents by 10% compared to FY2016	●The number of traffic accidents and violations slightly increased compared to FY2016 ●Reduced the number of workplace accidents compared to FY2016	× △	●Implement mental health training for managers ●Reduce the number of workplace accidents compared to FY2017

Personnel Data

Breakdown of number of employees (as of the end of February 2018)		(persons)
Full-time employees*1		8,631
	Male	6,096
	Female	2,535
Part-time staff*2		4,259
	Male	1,791
	Female	2,468
Number of employees (full-time employees + part-time staff)		12,974
	Male	7,968
	Female	5,006
New graduate employees hired		458
	Male	234
	Female	224
Mid-career employees hired		345
	Male	317
	Female	28

	FY2015	FY2016	FY2017
Average length of service (full-time employees)	8 years 1 month	9 years 2 months	8 years 10 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	188 (0, 1)	251 (1, 4)	283 (4, 4)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	3 (3, 0)	4 (4, 0)	7 (5, 0)
Number of volunteer leave recipients	3	8	1
Number of female managers (percentage)*4	274(31.2%)	291(31.0%)	288(30.5%)
	Section manager	280(34.4%)	281(34.0%)
	Division manager	9(9.3%)	7(5.9%)
	Executive officer	2(9.5%)	3(11.1%)
Percentage of employees with disabilities*5	2.18%	2.16%	2.17%
Percentage of paid leave taken by full-time employees	47.9%	62.4%	65.2%
Frequency rate of workplace accidents	0.15%	0.04%	0.19%
Severity rate of workplace accidents	0.01%	0.00%	0.00%

*1 Data includes 84 persons reemployed after mandatory retirement.

*2 Monthly average, with 8 hours/day counted as one employee. Includes contractual employees.

*3 Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

*4 Section manager or higher.

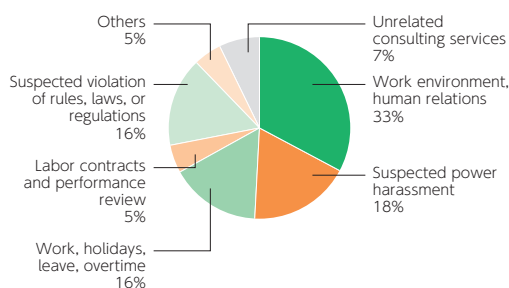
*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

Data for Consultation Services for Employees

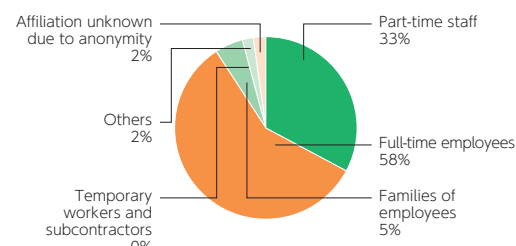
As a result of conducting awareness surveys regarding the workplace environment for all employees, and at the same time informing everyone about the in-house reporting system and increasing the number of employee consultation centers, etc., the total number of consultations has been increasing. Seven & 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 FY2017

Contacts received: 108
(up 8% from the previous fiscal year)



By user category



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

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Offering eco-friendly products	<ul style="list-style-type: none"> ●Use botanical inks that are environment-friendly for packaging for sandwiches and original bakery products ●Make all containers and packaging for SEVEN CAFÉ products compliant with eco-friendly packaging materials 	<ul style="list-style-type: none"> ●Used botanical inks that are environment-friendly for packaging for sandwiches and original bakery products ●Made all containers and packaging for SEVEN CAFÉ products compliant with eco-friendly packaging materials 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ●Successfully replace the paper used for daily food labels with light labels that use approximately 25% less paper, including the mounts ●Change from the 100% plastic materials used for the cold insulation boxes for New Year dishes to cardboard and eco-friendly heat insulation board (starting with a portion of items)

Providing Social Infrastructure in an Era with an Aging Society and Declining Population

FY2017 Targets/Results and FY2018 Targets

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

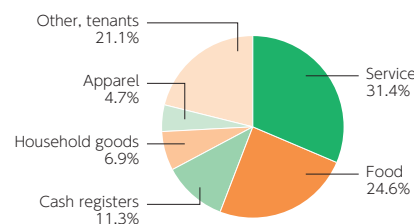
Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Supporting carers and seniors	<ul style="list-style-type: none"> ● Respond to seniors who have a mild level of care dependency who are concerned about the increased self-payment for nursing care services (expand product lineup and conduct product development) ● Increase awareness of sales areas and collaborate with related sales areas 	<ul style="list-style-type: none"> ● Original products at reduced prices were developed, resolving complaints with the price of nursing care equipment. Developed products sold 2 to 3 times as much as last year compared to NB products ● A TV commercial, newspaper insert ads, and notices on online stores and online supermarkets focused only on nursing care products were released. The number of customers grew by 9% compared to the previous year 	<ul style="list-style-type: none"> △ ○ 	<ul style="list-style-type: none"> ● Develop everything from products that address price issues to functional products that resolve customer complaints Developed products: 120% increased performance, developed product distribution ratio: 30% ● Coordinate with other departments Implement sales promotion activities and product launches for related products such as cosmetics, medical products, etc. Target number of customers: 10% increase compared to the previous year

Providing Safety and Reliability through Products and Stores

Data from Customer Response Services

Contacts received from customers were down by 20% from the previous fiscal year. In addition, service complaints, which comprise 31% of total contacts, declined by 15% compared to the previous fiscal year. We will continue to analyze the cause of complaints and take steps to prevent a recurrence and reduce service complaints.

Description of contacts received by Customer Response Service by topic for FY2017
Contacts received: 53,373
 (down 20.1% from the previous fiscal year)



FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> ●Review the internal systems to enable the Group to respond promptly in the event of an accident 	<ul style="list-style-type: none"> ●Continued the system whereby relevant departments assemble in a timely manner and work to resolve the issue in the event of an accident No major spread of damage in FY2017 	○	<ul style="list-style-type: none"> ●Reduce the number of complaints with stores related to lack of freshness and foreign substances being mixed in, primarily of food items, to 70% compared to the number of cases in FY2017
Making stores and facilities more customer-friendly and reliable				
	<ul style="list-style-type: none"> ●Complete a procedure manual concerning stores' initial responses and action plans ●Create a procedure manual concerning Head Office's initial responses and action plans Conclude and review etc., contents of disaster agreement 	<ul style="list-style-type: none"> ●Have begun to review stores' current initial responses and action plans ●Confirmed changes such as damage predictions by government agencies and reflected them in the countermeasures manual, etc. 	○	<ul style="list-style-type: none"> ●Complete a procedure manual that makes it easy to understand what stores should do in the event of a disaster ●Review the procedure manual concerning the Head Office's initial responses and action plan ●Make sure employees are aware of the contents of the completed procedure manual
Assuring appropriate information provision				
	<ul style="list-style-type: none"> ●Continue to provide onsite training at the store interview, share information with Head Office, and strive to prevent any recurrence of inappropriate labeling 	<ul style="list-style-type: none"> ●Regarding inappropriate labeling, specific examples were provided and appropriate labeling techniques, etc., were thoroughly disseminated onsite through meetings and training 	△	<ul style="list-style-type: none"> ●Improvement plans to be created based on the actual situation with labels at stores, and information is to be shared at weekly sales meetings
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> ●Find out the cause of a customer's opinion (complaint to the Group or criticism), and make a proactive proposal that leads to more detailed improvement actions ●Conduct a mini-training session to improve skills to enable employees to seriously engage (through empathy or acceptance) with the customer's opinion 	<ul style="list-style-type: none"> ●Customer requests and opinions were summarized and relayed quickly to stores and product departments for improvement ●Aimed for an overall reduction in complaints, with a focus on customer complaints, resulting in 80% of complaints compared to the previous year 	○	<ul style="list-style-type: none"> ●Verify results with regard to how customer requests and complaints are handled more visibly and address customer concerns ●In terms of service complaints, make particular effort to reduce customer complaints ●Aim for a 20% reduction, or 18,400 cases, in FY2018 compared to FY2017
Providing support in times of disaster				
	<ul style="list-style-type: none"> ●Conclude disaster support agreements with local governments, etc., at store-opening locations where there are no agreements yet ●Successively review the contents of agreements concluded in the past 	<ul style="list-style-type: none"> ●New material support agreements concluded with Wako City, Fukushima City, the Fujisawa City Fire Department, Kawaguchi City, and Nisshin City ●Reviewed agreements with Ageoshi City, Adachi Ward, etc., that were concluded in the past ●Participated in disaster prevention drills arranged by local governments, etc., that have concluded agreements (material support, etc.) 	○	<ul style="list-style-type: none"> ●Conclude disaster support agreements with local governments, etc., at store-opening locations where there are no agreements yet ●Successively review the contents of agreements concluded in the past

Non-Wasteful Usage of Products, Ingredients and Energy

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> ●Stores changing from fluorescent tubes to LED lighting: 13 ●Delivery distance per store: 225,000 km (same level as FY2016) Calculate from average number of stores operational in FY2017 	<ul style="list-style-type: none"> ●Upgraded basic illumination to LED lighting at 16 stores Reduced annual CO₂ emissions by 3,700 tons ●Delivery distance per store: 226,000 km Calculate from average number of stores operational in FY2017 	○	<ul style="list-style-type: none"> ●Introduce LED lighting at 78 stores and replace fluorescent tubes with LED bulbs ●Introduce inverters for air conditioning control at 10 stores ●Delivery distance per store: 225,000 km Calculate from average number of stores operational in FY2017
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> ●Food waste recycling rate: 53.0% ●Stores that implement recycling: 90 stores 	<ul style="list-style-type: none"> ●Food waste recycling rate: 53.2% ●Stores that implemented recycling: 90 stores 	○	<ul style="list-style-type: none"> ●Food waste recycling rate: 55.0% ●Stores that implement recycling: 90 stores
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> ●Employees to pass the Eco Test: 200 	<ul style="list-style-type: none"> ●Employees that passed the Eco Test: 197 	○	<ul style="list-style-type: none"> ●Employees to pass the Eco Test: 300

Environmental Data

Challenges	Unit	FY2015	FY2016	FY2017
CO ₂ emissions* ¹ * ² * ³	t-CO ₂	519,827	499,383	464,556
CO ₂ emissions from store operations* ¹ * ³ (Environmental impact index* ⁴)	(t-CO ₂ /1,000,000 m ² × 1,000h)	493,858 (99)	474,179 (96)	441,313 (93)
CO ₂ emissions by delivery trucks* ¹ * ³	t-CO ₂	23,590	24,896	22,932
Electricity consumption in store operations* ¹	GWh	838	826	767
Water usage in store operations* ¹	1,000m ³	6,682	6,649	6,264
Plastic bag usage (turndown rate) at the food section	t (%)	1,210(71.7)	1,219(71.5)	1,033(71.6)
Waste disposal (recycling rate)	t (%)	138,568(65.8)	136,078(65.5)	124,349(66.1)
Food waste recycling rate	%	51.2	52.1	53.2

*1 The period of the calculations was from April to March.

*2 This data represents CO₂ emissions stemming from the use of energy for store, Head Office, training center and logistics center operations and by delivery trucks.

*3 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual.

*4 CO₂ emissions per (total sales floor area × opening hours).

Supporting the Active Role of Women, Youth and Seniors within and outside the Group

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> ● Improve retention and increase fighting strength by conducting education tailored to part-time staff 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 	<ul style="list-style-type: none"> ● Divided applications for fresh food technique training and product knowledge training by division to create a system whereby employees can get the training they need ● Promoted divisional education and improved management ability by clearly defining the roles of supervisors and trainers 	<ul style="list-style-type: none"> △ △ 	<ul style="list-style-type: none"> ● Provide intensive training to help new part-time staff obtain fundamental knowledge and skills and be ready to contribute from early on ● Create a management standards document and conduct divisional training primarily through OJT by supervisors and group training by trainers
Making use of diverse human resources				
	<ul style="list-style-type: none"> ● To promote respect for human rights and normalization, hold training covering both knowledge and practice from the customers' perspectives, thereby helping to promote general awareness in workplaces and increase understanding 	<ul style="list-style-type: none"> ● Conducted training through study and role-playing, and created a toilet especially for assistance dogs at PRIMETREE AKAIKE. Displayed a gender-appropriate icon for gender-neutral bathrooms to promote awareness of LGBT individuals 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ● To promote respect for human rights and normalization, conduct training through study and role-playing from customers' perspectives and promote knowledge and understanding in the workplace
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> ● Further reduce lost work-time accidents ● Expand mental health education for current corporate officers (SM-BR corporate officers) 	<ul style="list-style-type: none"> ● Reduced work accidents in FY2017 to 600, a 12% reduction compared to the previous year ● There were 153 cases of serious work accidents resulting in four or more days of work missed, which is comparable to an average year ● Conducted harassment training for current corporate officers to promote mental health (October 2017) 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ● Reduce cases of serious work accidents resulting in four or more days of work missed to 90% compared to the previous year ● Continue conducting training related to mental health for corporate officers

Personnel Data

Breakdown of number of employees (as of the end of February 2018)		(persons)
Full-time employees*1		6,890
	Male	4,911
	Female	1,979
Part-time staff*2		23,296
	Male	4,444
	Female	18,852
Number of employees (full-time employees + part-time staff)		30,884
	Male	9,971
	Female	20,913
New graduate employees hired		130
	Male	63
	Female	67
Mid-career employees hired		5
	Male	5
	Female	0

	FY2015	FY2016	FY2017
Average length of service (full-time employees)	21 years 0 months	22 years 1 month	22 years 10 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	327 (2, 137)	412 (3, 233)	302 (2, 184)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	11 (2, 11)	20 (1, 13)	20 (0, 17)
Number of volunteer leave recipients	3	6	3
Number of female managers (percentage)**4	840(25.3%)	844(25.6%)	948(24.2%)
	Team leader	766(28.7%)	859(27.2%)
	Section manager	59(14.5%)	55(13.3%)
	Division manager	20(8.2%)	20(9.7%)
	Executive officer	4(18.2%)	4(16.7%)
Percentage of employees with disabilities	2.50%	2.56%	2.77%
Percentage of paid leave taken by full-time employees	16.5%	18.1%	17.7%
Frequency rate of workplace accidents	1.53%	1.43%	1.45%
Severity rate of workplace accidents	0.03%	0.03%	0.04%

*1 Data includes 698 persons reemployed after mandatory retirement.

*2 Monthly average, with 8 hours/day counted as one employee. Includes contractual employees.

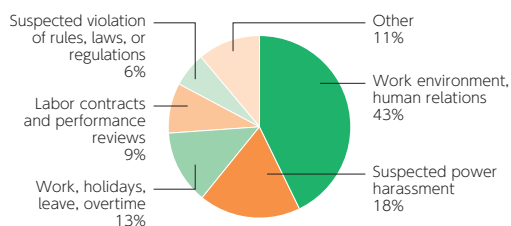
*3 Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

*4 Percentage of those who are Team leader or higher.

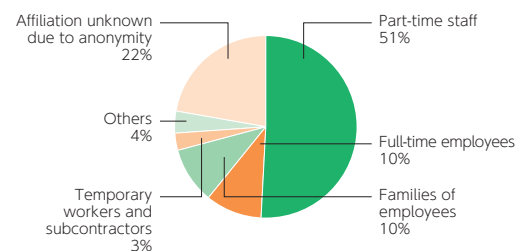
Data for Consultation Services for Employees

The number of consultations in FY2017 increased 35.1% compared to FY2016. 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 FY2017 (Contacts received: 331 (up 35.1% from the previous fiscal year))



By user category



Providing Social Infrastructure in an Era with an Aging Society and Declining Population

FY2017 Targets/Results and FY2018 Targets

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

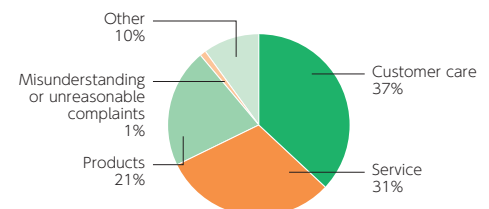
Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Supporting carers and seniors				
	<ul style="list-style-type: none"> ● Continue Pre-Mama Stations and Counters and hold parent-child participation events and maternity classes ● Plan to strengthen customer development by sending core information for customers at each store via social media from the Pre-Mama Stations ● New development Shoe fitters: 10 School bag advisors: 20 Formal-wear advisors: 5 Shopping supporters for the elderly and people with disabilities: 15 ● Supporters of people with dementia: 1,346 ● Children's shoes: trade in 91,675 pairs 	<ul style="list-style-type: none"> ● Pre-Mama Stations and Counters: 16,348 users (including 6,436 repeaters); Held parent-child participation events and others, and maternity classes ● Utilized social media outreach to strengthen customer development ● New development Shoe fitters: 16 School bag advisors: 6 Formal-wear advisors: 9 Shopping supporters for the elderly and people with disabilities: 43 ● Supporters of people with dementia: 629 Accumulated total: 4,283 ● Children's shoes: 92,683 pairs traded in 	<ul style="list-style-type: none"> ○ ○ △ × ○ 	<ul style="list-style-type: none"> ● Continue Pre-Mama Stations and Counters and hold parent-child participation events and maternity classes ⇒ Not midwives alone, but coordinate with specialized sales staff and business partner staff and further flesh out the contents ● Continue social media outreach ● Continue new development Shoe fitters: 10 Formal-wear advisors: 5 Shopping supporters for the elderly and people with disabilities: 15 ● Supporters of people with dementia: 717 Accumulated total: 5,000 ● Children's shoes: trade in 90,730 pairs
Assisting in local community revitalization				
	<ul style="list-style-type: none"> ● Continue to conduct localized events ● Continue to improve convenience when voting by establishing polling stations for early voting ● Using stores as the main vehicle, introduce various traditions, techniques, cultures, region-limited products, and local specialty goods, and promote sales Strengthen information sharing, notifications and sales of each region-limited product and specialty goods among stores 	<ul style="list-style-type: none"> ● Conducted events in partnership with local communities (governments, schools, etc.) such as the Green Curtain Project, water sprinkling activities, work experiences, etc. (all stores) ● Concluded the FF Partnership Agreement with Toshima Ward and held events such as "Seminar on Returning to Work from Childcare Leave" (Ikebukuro main store) ● Established a polling station for early voting in four stores (Ikebukuro main store, Chiba, Higashi-Totsuka, Fukui) ● Partnered with local communities to hold events for local foods, introducing and selling local specialty goods (Yokohama store, Chiba store, Omiya store, Tokorozawa store, Fukui store, Tokushima store) ● Held an event for specialty goods from Fukui (Yokohama store, Omiya store) 	<ul style="list-style-type: none"> ○ ○ ○ ○ 	<ul style="list-style-type: none"> ● Continue to conduct localized events ● Continue to improve convenience when voting by establishing polling stations for early voting ● Using stores as the main vehicle, introduce various traditions, techniques, cultures, region-limited products, and local specialty goods, and promote sales ● Strengthen information sharing, notifications and sales of each region-limited product and specialty goods among stores

Providing Safety and Reliability through Products and Stores

Data from Customer Response Services

In the fiscal year ended February 28, 2018, 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 have promoted activities to resolve areas where customers were dissatisfied, and to reflect customer needs in our operating strategies. In addition, we established a dedicated customer hotline for customers of stores that had finished operations. 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.

Description of contacts received by Customer Response Service by topic for FY2017
Contacts received: 7,932
 (down 4% from the previous fiscal year)



Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> ● Continue to improve hygiene management knowledge of the front-line staff ● Based on hygiene inspection results, select issues for each store and focus on improving them ● Continue product inspection system for private-brand apparel and general merchandise items ● Continue level-specific training to improve front-line staff skills 	<ul style="list-style-type: none"> ● Used a booklet and DVDs on the fundamentals of food sanitation management for training, at morning and afternoon meetings, and for onsite instruction ● The Store Product Quality Management Committee sorted, improved, and verified issues on a monthly basis ● Conducted 60 pre-delivery inspections of private-brand apparel and general merchandise items ● Implemented level-specific training to improve front-line staff skills 20 times 	<ul style="list-style-type: none"> ○ ○ ○ ○ 	<ul style="list-style-type: none"> ● Continue to improve hygiene management knowledge of the front-line staff ● Clearly identify issues pertaining to food sanitation at each store and implement PDCA activities for the Store Product Quality Management Committee ● Have sample verification tests performed by a specialized institution on products in the clothing and general goods categories ● Continue level-specific training to improve front-line staff skills
Making stores and facilities more customer-friendly and reliable				
	<ul style="list-style-type: none"> ● Start inspections from a universal design perspective (Tokyo) 	<ul style="list-style-type: none"> ● Performed inspections of multi-purpose toilets at the Yokohama store as part of our large-scale modifications and created a renovation plan 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ● Renovate the multi-purpose toilets at the Yokohama store ● Continue inspections from a universal design perspective
Assuring appropriate information provision				
	<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● Conducted food product labeling inspections by specialist organizations 183 times for each base (kitchens and sales areas) ● Conducted pre-delivery sampling inspections and twice monthly store-front inspections of the labeling of private brand items 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ● Cooperate with specialist organizations to check and inspect both food product labeling, and continue to implement appropriate labeling and information disclosure
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> ● 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 ● Reduce the number of complaints from customers: Below 3,800 	<ul style="list-style-type: none"> ● Sent out a weekly Attentive Service newsletter leveraging customer opinions, and continuously implemented activities to resolve complaints and improve customer service awareness ● Continuously implemented activities leveraging customer opinions and reduced the number of complaints by 389 from the previous year to 3,157 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ● Ascertain customers' opinions from their feedback and get stores and Head Office to work together to promote further improvement in customer service awareness among employees ● Reduce the number of complaints from customers: Below 3,100
Providing support in times of disaster				
	<ul style="list-style-type: none"> ● Collaborate with local governments and companies, including through existing regional comprehensive agreements and measures for people having difficulties in going home in the event of large earthquakes, and strengthen involvement in systems of cooperation and regional vitalization ● Through the holding of events such as disaster preparedness fairs, promote activities that raise the awareness of disaster-preparedness in cooperation with local communities 	<ul style="list-style-type: none"> ● Participated in the Council to Address People Experiencing Difficulty Getting Home, which is composed of local authorities, large commercial facilities, transportation companies, and other organizations where the stores are located, together with large commercial facilities, transportation operators, and others. Proactively participated in drills, etc., as well. ● Used motivational events such as "110 Day," "Disaster Preparedness Day," and "Emergency Day" to carry out disaster prevention and crime prevention awareness-raising activities and so on, for local residents using the space inside stores, together with exhibitions and direct sales of disaster prevention items ● Distributed copies of the Tokyo Life Disaster Prevention booklet issued by the Tokyo metropolitan government at storefronts as one of the cooperating business distributors (Ikebukuro main store, Shibuya store) 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ● Collaborate with local governments and companies, including through existing regional comprehensive agreements and measures for people having difficulties in going home in the event of large earthquakes, and strengthen involvement in systems of cooperation and regional vitalization ● Through the holding of events such as disaster preparedness fairs, promote activities that raise the awareness of disaster-preparedness in cooperation with local communities
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> ● On an ongoing basis, cooperate with local communities and their disaster preparedness and crime prevention systems 	<ul style="list-style-type: none"> ● Participated in local disaster preparedness training and crime-prevention patrols, and so on 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ● On an ongoing basis, cooperate with local communities and their disaster preparedness and crime prevention systems

Non-Wasteful Usage of Products, Ingredients and Energy

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Attaining an appropriate grasp of environmental impact				
	<ul style="list-style-type: none"> ●Expand recommendations in periodic ISO audits and reduce items indicated by audits 	<ul style="list-style-type: none"> ●Recommendations: 4 (down 5 compared with before) Items indicated by audits: 7 (down 6 compared with before) ●Unacceptable items: 0 (no change) 	△	<ul style="list-style-type: none"> ●Expand recommendations in periodic ISO audits and reduce items indicated by audits
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> ●Reduce energy usage by 1% when calculated in terms of crude oil usage減 ●Continue to expand the introduction of LED lighting 	<ul style="list-style-type: none"> ●Reduced by 3.4% on an operating store basis ●Introduced LED lighting at 10 stores (total investment of ¥300 million for 8,064 LED lighting units) 	○	<ul style="list-style-type: none"> ●Reduce by 1% on an operating store basis ●Continue to expand the introduction of LED lighting
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> ●Food waste recycling rate: 63.0% (up 1.3% from the previous year) ●Waste recycling rate: 64.0% (up 1.6% from the previous year) ●Continue to improve waste recycling rate through more thorough separation of waste 	<ul style="list-style-type: none"> ●Food waste recycling rate: 69.4% (up 7.8% from the previous year) ●Waste recycling rate: 67.3% (up 4.9% from the previous year) 	○	<ul style="list-style-type: none"> ●Food waste recycling rate: 71.0% (up 1.6% from the previous year) ●Waste recycling rate: 70.0% (up 2.7% from the previous year) ●Continue to improve waste recycling rate through more thorough separation of waste
Implementing measures to conserve biodiversity				
	<ul style="list-style-type: none"> ●Tree planting: 1,410 trees ●Continue to promote anniversary-day gifts with green wrapping: 65,660 gifts ●Conduct tree planting activities through employee volunteers 	<ul style="list-style-type: none"> ●Tree planting: 1,523 trees planted Planting location: Fuefuki City, Yamanashi Prefecture ●Green wrapping: 63,718 gifts ●Conducted tree planting activities through employee volunteers 	○	<ul style="list-style-type: none"> ●Tree planting: 1,500 trees ●Continue to promote anniversary-day gifts with green wrapping: 63,180 gifts ●Conduct tree planting activities through employee volunteers
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> ●Environmental e-learning courses: All employees to take ●Number of employees reporting successful completion of the campaign to save electricity: 100 ●Number of employees taking the Eco Test: 52 Pass rate: 90% 	<ul style="list-style-type: none"> ●Environmental e-learning courses: Taken by all employees ●Number of employees reporting successful completion of the campaign to save electricity: 60 ●Number of employees who took the Eco Test: 64 Pass rate: 87.5% ●Implemented the CSV Idea Competition within the company Number of submissions: 481 	○	<ul style="list-style-type: none"> ●Environmental e-learning courses: All employees to take ●Number of employees taking the Eco Test: 140 Pass rate: 90% ●Create the best proposal for the CSV Idea Competition

Environmental Data

Challenges	Unit	FY2015	FY2016	FY2017
Number of stores	Stores	24	23	17
CO ₂ emissions*1 *2 *3	t-CO ₂	193,101	171,690	142,853
CO ₂ emissions in store operations*1 *3	t-CO ₂	192,417	171,052	142,241
Electricity consumption in store operations*1	GWh	339	315	261
Water usage in store operations*1	1,000m ³	2,262	2,128	1,855
Container and packaging materials consumption	t	1,432	1,395	1,276
Waste disposal (recycling rate)	t (%)	31,334(60.8)	29,390(62.4)	24,310(67.3)
Food waste recycling rate	%	55.6	61.7	69.4

*1 The period of the calculations was from April to March.

*2 The date represents CO₂ emissions stemming from the use of energy for store, Head Office, corporate sales, and distribution center operations.

*3 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual.

Supporting the Active Role of Women, Youth and Seniors within and outside the Group

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> ●New seminar participants: 2,400 participants ●Self-Directed Sales Area Training Course: 1,500 participants ●Career Advancement Course: 900 participants 	<ul style="list-style-type: none"> ●New seminar participants: 2,266 participants ●Self-Directed Sales Area Training Course: 1,316 participants ●Career Advancement Course: 950 participants 	△	<ul style="list-style-type: none"> ●New seminar participants: 2,000 participants ●Self-Directed Sales Area Training Course: 1,400 participants ●Career Advancement Course: 600 participants
Achieving a work-life balance				
	<ul style="list-style-type: none"> ●Prepare the system to acquire "L-Boshi" certification ●Increase the number of employees using leave for childcare, nursing care, and family care 	<ul style="list-style-type: none"> ●The level of competition by gender in employment is slated to be improved ●Number of employees who took leave for childcare, nursing care, and family care: 213 (8 more than the previous year) 	○ ○	<ul style="list-style-type: none"> ●Obtain "L-Boshi" certification ●Expand reduced work hour shift system ●Increase the number of employees using leave for childcare, nursing care, and family care
Making use of diverse human resources				
	<ul style="list-style-type: none"> ●Appoint 40 people from contractual employees to full-time employees ●Hire 7 mid-career specialist employees ●Percentage of female managers (section manager or higher positions): 20% 	<ul style="list-style-type: none"> ●Appointed 57 people from contractual employees to full-time employees ●Hired 40 mid-career specialist employees ●Percentage of female managers (section manager or higher positions): 11.2% 	○ △ ×	<ul style="list-style-type: none"> ●Appointed 50 people from contractual employees to full-time employees ●Hire 5 mid-career specialist employees ●Percentage of female managers (section manager or higher positions): 20%
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> ●Deploy health promotion activities at each business site to improve the health of employees who have a BMI of 25 or higher 	<ul style="list-style-type: none"> ●Rolled out a health campaign using the employee cafeteria to combat metabolic syndrome 	○	<ul style="list-style-type: none"> ●Deploy health promotion activities at each business site to improve the health of employees who have a BMI of 25 or higher

Personnel Data

Breakdown of number of employees (as of the end of February 2018)		(persons)
Full-time employees*1		2,852
	Male	1,857
	Female	995
Part-time staff*2		3,154
	Male	340
	Female	2,814
Number of employees (full-time employees + part-time staff)		6,301
	Male	2,437
	Female	3,864
New graduate employees hired		63
	Male	38
	Female	25
Mid-career employees hired		0
	Male	0
	Female	0

	FY2015	FY2016	FY2017
Average length of service (full-time employees)	22 years 9 months	22 years 7 months	22 years 8 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	192 (4, 69)	225 (2, 108)	222 (5, 118)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	2 (2, 0)	9 (2, 5)	7 (0, 4)
Number of volunteer leave recipients	NA	NA	NA
Number of female managers (percentage)*4	505 (33.2%)	459 (34.6%)	400 (34.0%)
	Team leader	381 (52.4%)	338 (54.0%)
	Section manager	66 (15.0%)	40 (12.2%)
	Division manager	35 (13.5%)	36 (14.0%)
	Executive officer	4 (14.8%)	3 (13.0%)
Percentage of employees with disabilities*5	1.97%	1.86%	2.16%
Percentage of paid leave taken by full-time employees	19.7%	22.0%	27.4%
Frequency rate of workplace accidents	0.29%	0.76%	0.37%
Severity rate of workplace accidents	0.01%	0.01%	0.00%

*1 Data includes 295 persons reemployed after mandatory retirement.

*2 Monthly average, with 8 hours/day counted as one employee. Includes contractual employees.

*3 Persons who took such leave in the applicable fiscal year (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.

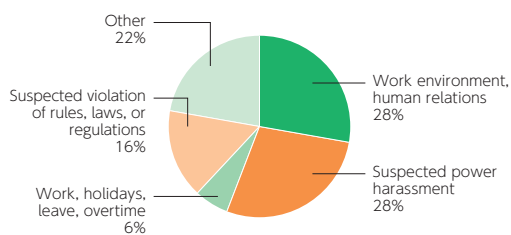
Data for Consultation Services for Employees

While the number of cases received this term decreased dramatically compared to the previous term, based on an examination of the contents, during the previous term, reports on the special factors of business office closures and reductions were included. Going forward, we wish to consider raising further awareness about the primary purpose of the system while keeping an eye on future trends in usage.

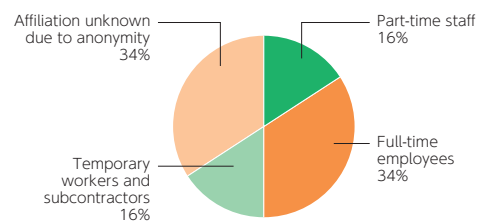
We continue to strive to strengthen risk management, and we always encourage employees to stay informed about the employee consultation center (in-house reporting system) and other resources through the newly established portal site, as well as to make active use of them. We also ask our lawyers and other personnel to serve as instructors and periodically conduct training for employees about compliance and risk management. 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 FY2017

Contacts received: 50 (down 32% from the previous fiscal year)



By user category



Building an Ethical Society and Improving Resource Sustainability Together with Customers

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Offering eco-friendly products	<ul style="list-style-type: none"> ● Select new products: 30 ● Continue to enhance introductions of organic cotton products 	<ul style="list-style-type: none"> ● New products selected: 12 ● Three new organic cotton products certified ● Collaborated with the Alaska Seafood Marketing Institute to host fairs at which natural and sustainable Alaska seafood was introduced and sold (12 stores) 	×	<ul style="list-style-type: none"> ● Continue hosting fairs that introduce and sell Alaska seafood

Providing Social Infrastructure in an Era with an Aging Society and Declining Population

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Supporting carers and seniors				
	●Continue blood donation activities	●Number of Heartful Saturday blood donors in 2017: 531	○	●Continue blood donation activities
Assisting in local community revitalization				
	●Continue to hold Opening Anniversary Festivals	●Held Opening Anniversary Festivals at all stores	○	●Continue to hold Opening Anniversary Festivals

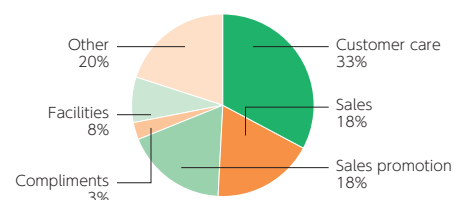
Providing Safety and Reliability through Products and Stores

Data from Customer Response Services

As part of our efforts to listen to our customers' opinions 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 FY2017

Contacts received: 3,243
(up 8.5% from the previous fiscal year)



FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Ensuring the quality and safety of products and services				
	●Numerical targets for three-star vegetables and products with production areas clearly indicated: aiming for 6.1% increase from the previous year	●Sales results for three-star vegetables/fruits and products with production areas clearly indicated: 4.7% decrease from the previous year	△	●Raise sales results for three-star vegetables/fruits and products with production areas clearly indicated: up 2% compared to the previous year
Making stores and facilities more customer-friendly and reliable				
	●Expand the number of new stores that are subject to the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.	●Number of stores that apply the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.: 122	○	●Expand the number of new stores that are subject to the revised Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.
Providing support in times of disaster				
	●Continue to consider cooperating with local governments upon request	●A new disaster management agreement was concluded with three cities and towns in FY2017	○	●Going forward, continue to consider cooperating with local governments who request the conclusion of disaster management agreements, etc.
Implementing crime prevention measures for local communities				
	●Continue cooperating with requests from police	●As part of regional contribution efforts, we cooperated with requests from law enforcement authorities regarding theft prevention, etc.	○	●Continue cooperating with requests from police

Non-Wasteful Usage of Products, Ingredients and Energy

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Improving energy efficiency and introducing renewable energy				
	●Analyze data by store, and make efforts to reduce electricity consumption	●Implemented analysis of current situation and confirmed abnormal values, reduced electricity consumption: by 0.2% compared to the previous year	△	●Reduce electricity consumption to 2.0% compared to the previous year

Environmental Data

Challenges	Unit	FY2015	FY2016	FY2017
CO ₂ emissions* ¹ * ² * ³	t-CO ₂	191,121	192,466	193,182
CO ₂ emissions from store operations (per store)* ¹ * ³	t-CO ₂	174,416 (851)	175,735(837)	176,150(812)
CO ₂ emissions from delivery vehicles * ¹ * ³	t-CO ₂	16,259	16,366	16,721
Electricity consumption in store operations* ¹	GWh	307	317	325
Water usage in store operations* ⁴	1,000m ³	1,074	1,063	1,105
Plastic bag usage (turndown rate) at the food section	t (%)	433(70.7)	463(70.5)	503(70.5)
Waste disposal (recycling rate)* ⁴	t (%)	43,028(52.6)	40,644(47.5)	43,497(52.8)
Food waste recycling rate* ⁴	%	44.1	53.4	60.4

*1 The period of the calculations was from April to March.

*2 This data represents CO₂ emissions stemming from the use of energy for store, Head Office, training center and logistics center operations and by delivery trucks.

*3 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual.

*4 The period of the calculations was from March to February.

Supporting the Active Role of Women, Youth and Seniors within and outside the Group

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Supporting development of employee abilities				
	●Further develop level-specific training to eliminate differences in educational progress between divisions	●Implemented training for everyone up to the manager level for each division, and differences in analysis results in the Target Achievement Records are beginning to be eliminated	△	●Review training after promotions to the manager level as well, including PR, and improve the post-promotion differences
Achieving a work-life balance				
	●Improve rate of paid leave taken Annual average number of paid leave days taken as 5 days	●The number of paid leave days taken compared to the previous year, 7.8%, with the annual average number of days being 4.9 days	△	●Increase the annual average number of paid leave days taken to 5 days
Making use of diverse human resources				
	●Promote an executive training curriculum aimed at lower-level employees (team leader) and higher, thereby increasing the overall percentage of female managers to 25%	●Percentage of female managers: 25.5%	△	●Promote an executive training curriculum aimed at lower-level employees (team leader) and higher, thereby increasing the overall percentage of female managers to 27%
Assuring consideration for worker health and safety				
	●Number of workplace accidents per year: Down 20% from the previous year	●Number of falling accidents increased due to long-lasting heavy snow and freezing. Number of workplace accidents: down 1.8% from the previous year	×	●Number of workplace accidents per year: Decrease of 20% compared to the previous year

Personnel Data

Breakdown of number of employees (as of the end of February 2018)		(persons)
Full-time employees*1		2,698
	Male	2,379
	Female	319
Part-time staff*2		11,781
	Male	1,964
	Female	9,817
Number of employees (full-time employees + part-time staff)		14,674
	Male	4,487
	Female	10,187
New graduate employees hired		146
	Male	109
	Female	37
Mid-career employees hired		0
	Male	0
	Female	0

	FY2015	FY2016	FY2017
Average length of service (full-time employees)	14 years 4 months	15 years 0 months	14 years 8 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	163 (1, 144)	156 (0, 134)	201 (0, 177)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	3 (2, 0)	13 (1, 12)	13 (0, 13)
Number of volunteer leave recipients	NA	NA	NA
Number of female managers (percentage)*4	618(26.4%)	592(25.6%)	599(25.5%)
	Team leader	385(26.6%)	395(26.7%)
	Section manager	226(25.9%)	202(26.1%)
	Division manager	0(0.0%)	2(2.7%)
	Executive officer	3(10.7%)	3(11.1%)
Percentage of employees with disabilities*5	2.54%	2.69%	2.85%
Percentage of paid leave taken by full-time employees	13.4%	20.0%	24.7%
Frequency rate of workplace accidents	3.74%	3.64%	3.70%
Severity rate of workplace accidents	0.02%	0.01%	0.01%

*1 Data includes 195 employees reemployed after mandatory retirement.

*2 Monthly average, with 8 hours/day counted as one employee. Includes contractual employees.

*3 Persons who took such leave in the applicable fiscal year (takers continuing leave from the previous year + new takers of leave)

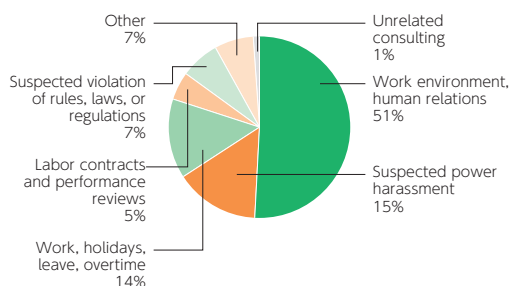
*4 The percentage of team leaders or higher positions

*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

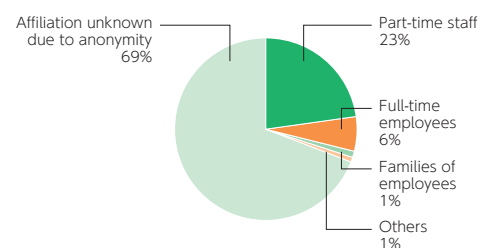
Data for Consultation Services for Employees

YB 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 FY2017 Contacts received: 133 (up 60.24% from the previous fiscal year)



By user category



Providing Social Infrastructure in an Era with an Aging Society and Declining Population

FY2017 Targets/Results and FY2018 Targets

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

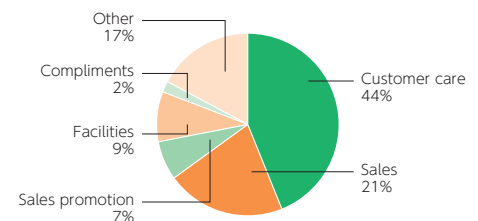
Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Supporting carers and seniors				
	<ul style="list-style-type: none"> ●Strengthen the expansion of the number of the re-challenge plan system users ●Continue to hold the orientation for employees returning to work after childcare leave ●Fully disseminate the system by introducing users in the company's internal newsletter 	<ul style="list-style-type: none"> ●Number of the re-challenge plan system users: 61 in FY2017 (of which 39 were part-time employees) Up 24.4 % from previous year ●Held orientation for employees returning to work after childcare leave every quarter, shared information and alleviated concerns 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ●Strengthen the expansion of the number of re-challenge plan system users ●Continue to hold orientation for employees returning to work after childcare leave and address issues ●Disseminate information about the system via the company's internal newsletter
Cooperating with local community revitalization				
	<ul style="list-style-type: none"> ●Continue to accept workplace tours and work experience participation by elementary and junior high school students ●Train a total of 1,300 supporters of people with dementia 	<ul style="list-style-type: none"> ●Accepted workplace tours and work experience participation by elementary and junior high school students: approx. 6,800 students ●Trained 450 supporters of people with dementia in FY2017, reaching a total of 1,267 trained supporters 	<ul style="list-style-type: none"> ○ △ 	<ul style="list-style-type: none"> ●Continue to accept workplace tours and work experience participation by elementary and junior high school students ●Train a total of 1,600 supporters of people with dementia

Providing Safety and Reliability through Products and Stores

Data from Customer Response Services

Some 731 calls were received via the toll-free phone numbers in the fiscal year ended February 28, 2018. The number of calls increased compared to the previous year. Of these, customer care issues accounted for 44%, while sales-related issues accounted for 21% of calls. Twelve of the calls were compliments. We will continue working to make further improvements to store operations.

Description of contacts received by Customer Response Service by topic for FY2017
Contacts received: 731
(up 7% from the previous fiscal year)



FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> ● Establish compliance teams at new stores ● Actively deploy compliance teams at existing stores 	<ul style="list-style-type: none"> ● Established compliance teams at new stores ● Actively deployed compliance teams at existing stores 	<ul style="list-style-type: none"> △ ○ 	<ul style="list-style-type: none"> ● Date management, accurate production location, history display, and employee training for the above ● Store hygiene management through the existing store compliance team ● Expand sanitation equipment (Purester water, etc.)
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> ● Expand interaction section ● Refurbish customer toilets (sequentially) 	<ul style="list-style-type: none"> ● Expand interaction section at renovated stores ● Refurbished customer toilets 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ● Expand interaction section ● Refurbish customer toilets (sequentially)
Assuring appropriate information provision				
	<ul style="list-style-type: none"> ● Share the results of store audits (freshness management, 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 ● Provide information related to hygiene management, freshness management, and allergy labeling to stores through web conferences and weekly emails from Head Office quality control staff 	<ul style="list-style-type: none"> ● While effectiveness rose in terms of issues being made apparent and quickly addressed, there was one abnormality with regard to display management ● Regularly held web conferences by Head Office quality control staff. Also, held a company-wide conference once at Head Office. Provided information to stores through weekly emails from Head Office quality control staff. Also maintained communication through meetings 	<ul style="list-style-type: none"> △ ○ 	<ul style="list-style-type: none"> ● Reorganize the audit system through four highly specialized teams (money accounts, product quality sanitation, personnel work management, fundamentals) and aim for more in-depth and rapid responses ● Provide information related to hygiene management, freshness management, and allergy labeling to stores through web conferences and weekly emails from Head Office quality control staff, and maintain communication through meetings
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> ● Send weekly emails from the customer feedback department to stores about items needing attention according to seasonal factors, and about the most recent incidents and accidents as they occur ● Strive to reduce customer complaints by providing information to stores 	<ul style="list-style-type: none"> ● Made efforts to prevent incidents and accidents by sending weekly emails from the customer feedback department to stores about items requiring attention according to seasonal factors, and about the most recent incidents as they occurred ● Strove to reduce customer complaints by providing information to stores 	<ul style="list-style-type: none"> △ △ 	<ul style="list-style-type: none"> ● Send weekly emails from the customer feedback department to stores about items needing attention according to seasonal factors, and about the most recent incidents and accidents as they occur ● Strive to reduce customer complaints by providing information to stores ● Confirm customer opinions with management weekly and improve store operations by coordinating with relevant departments

Non-Wasteful Usage of Products, Ingredients and Energy

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Attaining an appropriate grasp of environmental impact				
	<ul style="list-style-type: none"> ● Introduce BEMS to all stores 	<ul style="list-style-type: none"> ● Successfully introduced BEMS to all stores 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ● Utilize BEMS
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> ● Continue to introduce reach-in multi-level refrigerated cases at existing stores 	<ul style="list-style-type: none"> ● Implemented at 1 new store, 2 renovated stores, and 4 existing stores 	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ● Continue to introduce reach-in multi-level refrigerated cases at existing stores
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> ● Food waste recycling rate: 53.0% ● Plastic bag turndown rate for FY2017: achieve 53.0% Down 2% from the previous year by weight 	<ul style="list-style-type: none"> ● Food waste recycling rate achieved: 56.6% ● Plastic bag turndown rate for FY2017: achieved 50.6% Down 1.6% from the previous year by weight 	<ul style="list-style-type: none"> ○ △ 	<ul style="list-style-type: none"> ● Food waste recycling rate: 57.0% ● Plastic bag turndown rate for FY2017: achieve 50.5% Down 2% from the previous year by weight
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> ● Number of employees that pass the Eco Test: 24 	<ul style="list-style-type: none"> ● Number of employees that passed the Eco Test: 18 	<ul style="list-style-type: none"> △ 	<ul style="list-style-type: none"> ● Number of employees that pass the Eco Test: 28

Environmental Data

Challenges	Unit	FY2015	FY2016	FY2017
CO ₂ emissions* ¹ * ² * ³	t-CO ₂	58,169	57,562	56,309
CO ₂ emissions from store operations (per store)* ¹ * ³	t-CO ₂	58,119(736)	57,520(728)	56,272(712)
Electricity consumption in store operations* ¹	GWh	113	113	114
Water usage in store operations* ¹	1,000m ³	558	522	529
Plastic bag turndown rate at the food section	%	49.5	49.8	49.9
Waste disposal (recycling rate)	t (%)	21,583(64.2)	21,637(64.0)	21,547(66.0)
Food waste recycling rate	%	51.1	51.9	56.6

*1 The period of the calculations was from April to March.

*2 CO₂ emissions stemming from the use of energy in store operations and Head Office operations.

*3 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual.

Supporting the Active Role of Women, Youth and Seniors within and outside the Group

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> ●Standardize the educator's levels of skills ●Deploy skill records for managers in charge of store sales areas ●Create skills inventory from the store instructors' skill records 	<ul style="list-style-type: none"> ●In the process of implementing technical instruction for educators ●Completed skill records for managers in charge of stores ●Created skills inventory from the store instructors' skill records 	<ul style="list-style-type: none"> △ ○ ○ 	<ul style="list-style-type: none"> ●Hold coaching seminars for educators and improve their instruction skills ●Create a movie manual and improve level of technical expertise
Achieving a work-life balance				
	<ul style="list-style-type: none"> ●Reduce total work time Average number of overtime hours was down 10.0% from the previous fiscal year	<ul style="list-style-type: none"> ●Average number of overtime hours was 35.7, down 0.3% from the previous year 	<ul style="list-style-type: none"> × 	<ul style="list-style-type: none"> ●Reduce total work time Average number of overtime hours was down 5.0% from the previous fiscal year
Making use of diverse human resources				
	<ul style="list-style-type: none"> ●Appoint 20 people as expert staff ●Appoint 15 people as full-time employees ●Number of females appointed in management roles: 2 ●Percentage of female managers (Team leader or higher positions): 28.0% or more 	<ul style="list-style-type: none"> ●Employees appointed as expert staff: 24 ●Employees appointed as full-time employees: 15 ●Number of females appointed in management roles: 2 ●Percentage of female managers: 22.9% 	<ul style="list-style-type: none"> ○ ○ ○ × 	<ul style="list-style-type: none"> ●Appoint 25 people as expert staff ●Appoint 15 people as full-time employees ●Number of females appointed in management roles: 2 ●Percentage of female managers: 24%
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> ●Reduce occurrence of workplace accidents Give notification of causes and responses Reduce lost work-time accidents	<ul style="list-style-type: none"> ●Frequency rate: 2.31 → 3.29 ●Severity rate: 0.0494 → 0.0471 ●Number of days of work missed reduced from 620 to 602 	<ul style="list-style-type: none"> △ △ ○ 	<ul style="list-style-type: none"> ●Reduce occurrence of workplace accidents Give notification of causes and responses Reduce lost work-time accidents

Personnel Data

Breakdown of number of employees (as of the end of February 2018)		(persons)
Full-time employees*1		1,304
	Male	1,043
	Female	261
Part-time staff*2		4,494
	Male	1,228
	Female	3,266
Number of employees (full-time employees + part-time staff)		5,798
	Male	2,271
	Female	3,527
New graduate employees hired		112
	Male	68
	Female	44
Mid-career employees hired		15
	Male	14
	Female	1

	FY2015	FY2016	FY2017
Average length of service (full-time employees)	14 years 4 months	15 years 4 months	15 years 5 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	40 (0, 24)	21 (0, 12)	46 (0, 28)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	0 (0, 0)	1 (0, 1)	0 (0, 0)
Number of volunteer leave recipients	0	0	0
Number of female managers (percentage)**4	232 (25.8%)	211 (24.3%)	201 (22.8%)
	Team leader	163 (32.9%)	164 (31.5%)
	Section manager	38 (12.4%)	27 (11.5%)
	Division manager	3 (7.3%)	9 (7.5%)
	Executive officer	1 (7.1%)	1 (7.7%)
Percentage of employees with disabilities*5	2.00%	2.00%	2.12%
Percentage of paid leave taken by full-time employees	12.6%	16.7%	16.0%
Frequency rate of workplace accidents	3.52%	2.31%	3.29%
Severity rate of workplace accidents	0.06%	0.05%	0.05%

*1 Data includes 71 persons reemployed after mandatory retirement.

*2 Monthly average, 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)

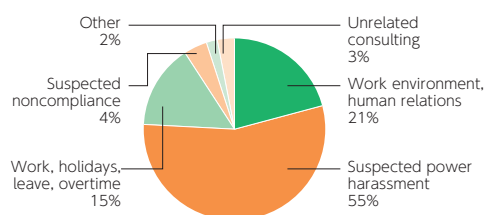
*4 The percentage of team leaders or higher positions, excluding executive officers.

*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

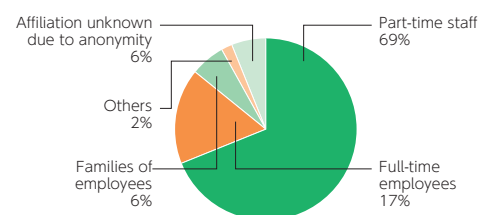
Data for Consultation Services for Employees

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. We are also striving to improve the work environment.

Description of inquiries received by Customer Response Service by topic during FY2017 Inquiries received: 112 (up 10% from the previous fiscal year)



By user category



Seven & i Food Systems Co., Ltd.

Website: <http://www.7andi-fs.co.jp/7fs/company/csr.html> (in Japanese)

Number of stores as of fiscal year ended February 28, 2018: 749

Providing Social Infrastructure in an Era with an Aging Society and Declining Population

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Supporting carers and seniors	<ul style="list-style-type: none"> ●Continue to maintain the system for actively accepting work experience participation 	<ul style="list-style-type: none"> ●Results: 108 schools, 309 students Elementary school student company visits: 3 schools, 26 students Junior high school workplace experience: 277 students Employment support and professional lectures: 1 University lectures: 1 	○	<ul style="list-style-type: none"> ●Continue to maintain the system for actively accepting work experience participation ●Hold a children's food education class for children to gain knowledge about food
Cooperating with local community revitalization	<ul style="list-style-type: none"> ●Maintain relay cropping and conduct procurement of seasonal ingredient ●Share information with local communities, strengthen cooperation, and promote store operations that are rooted in the region ●Supporters of people with dementia: 300 people ●Continue to support disaster-affected areas through our core business 	<ul style="list-style-type: none"> ●Conducted procurement via relay cropping, with a focus on fruit and vegetables ●Concluded a regional comprehensive agreement with Adachi Ward to enhance our regional contributions ●Held 15 training sessions for supporters of people with dementia, and trained 223 new people, reaching a total of 1,589 supporters ●Provided support to disaster-affected areas through our core business 	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> ●Continue procurement throughout FY2018 ●Share information with local communities, strengthen cooperation, and promote store operations that are rooted in the region ●Supporters of people with dementia: 300 people ●Continue to support disaster-affected areas through our core business
Providing support in times of disaster	<ul style="list-style-type: none"> ●Continue to proactively respond to requests received in the event of disaster from the municipalities 	<ul style="list-style-type: none"> ●Continued the agreements for supporting people having difficulties returning home after a disaster in nine prefectures and cities and the Union of Kansai Governments 	○	<ul style="list-style-type: none"> ●Continue to proactively respond to requests received in the event of disaster from the municipalities

Providing Safety and Reliability through Products and Stores

Data from 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)

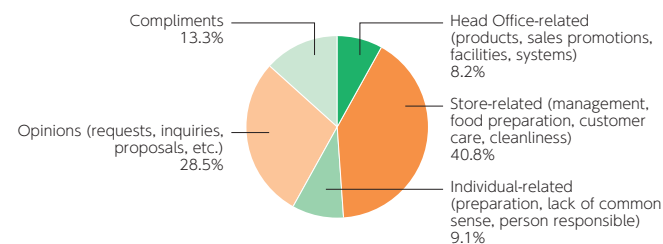
Compliments: 976 to 923 cases (a decrease of 53 cases, or 5.4% from the previous fiscal year)

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 FY2017

Contacts received: 6,874

(down 4.2% from the previous fiscal year)



FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> ● Improve the accuracy of e-BASE contents and the usability of searches ● Advance in plant management system following the strengthening of quality control 	<ul style="list-style-type: none"> ● Improved the accuracy of e-BASE contents and the usability of searches ● Carried out plant site audits of 20 locations for new business partners. 100% passed 	<p>○</p> <p>○</p>	<ul style="list-style-type: none"> ● Improve the accuracy of contents and the usability of searches ● In addition to enhancing quality control, visit stores and provide instruction to promote improvement
Assuring appropriate information provision				
	<ul style="list-style-type: none"> ● Display allergy information for the seven specified ingredients for all menus that were revised in September 2017 	<ul style="list-style-type: none"> ● Began displaying allergy information for the seven specified ingredients in menus at Denny's that were revised in September 2017 ● Introduced tablets that allow customers to look up the usage status for specified ingredients and equivalent items 	<p>○</p>	<ul style="list-style-type: none"> ● Begin displaying allergy information in menus at Denny's for the 20 equivalent items in the second half of FY2018
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> ● 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 The target is to halve the number of complaints and double the number of compliments 	<ul style="list-style-type: none"> ● Number of complaints: The goal was a reduction by half, but complaints increased by 25% Number of compliments: The goal was double, however compliments only increased by 7%. The goals were not achieved 	<p>×</p> <p>△</p>	<ul style="list-style-type: none"> ● Clearly identify the factors that lead to the customer opinions received and make specific improvements The mandatory target for FY2018 is to halve the number of complaints and double the number of compliments
Providing support in times of disaster				
	<ul style="list-style-type: none"> ● Continue to proactively respond to requests received in the event of disaster from the municipalities 	<ul style="list-style-type: none"> ● Continued the agreements for supporting people having difficulties returning home after a disaster in nine prefectures and cities and the Union of Kansai Governments 		<ul style="list-style-type: none"> ● Continue to proactively respond to requests received in the event of disaster from the municipalities

Non-Wasteful Usage of Products, Ingredients and Energy

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> ● Replace package air conditioners with individual air conditioners: 43 stores Amount of CO₂ emissions reduction: 718 tons 	<ul style="list-style-type: none"> ● Replaced package air conditioners with individual air conditioners: 23 stores Amount of CO₂ emissions reduction: 384 tons 	<p>△</p> <p>△</p>	<ul style="list-style-type: none"> ● Aim to replace package air conditioners with individual air conditioners at 6 stores Amount of CO₂ emissions reduction: 100 tons
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> ● Improve efficiency by reviewing the bacteria of the raw garbage processors already installed Target food waste recycling rate: 47% 	<ul style="list-style-type: none"> ● Introduction of new bacteria could not be achieved, so current situation remains unchanged Food waste recycling rate: 49% 	<p>○</p>	<ul style="list-style-type: none"> ● Attempt to achieve an eco-friendly model through a food recycling loop Target food waste recycling rate: 50%
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> ● Continue to encourage employees to take the Eco Test Target number of employees to take the Eco Test each year: 280 	<ul style="list-style-type: none"> ● Number of employees encouraged to take the Eco Test each year, with a focus on store supervisors: 287 	<p>○</p>	<ul style="list-style-type: none"> ● Actively encourage all employees to pass by 2020 Target number of employees to take the Eco Test each year: 500

Environmental Data

Challenges	Unit	FY2015	FY2016	FY2017
CO ₂ emissions*1 *2 *3	t-CO ₂	84,876	82,083	75,209
CO ₂ emissions from store operations*1 *3	t-CO ₂	82,474	79,755	73,161
CO ₂ emissions from delivery vehicles*1 *3 *4	t-CO ₂	2,259	2,164	1,889
Electricity consumption in store operations*1	GWh	130	128	121
Water usage in store operations*1	1,000m ³	1,889	1,779	1,493
Waste disposal (recycling rate)	t (%)	11,800(28.1)	12,393(26.9)	11,029(29.7)
Food waste recycling rate	%	46.4	46.2	49.0

*1 The period of the calculations was from April to March.

*2 CO₂ emissions stemming from the use of energy in store operations (Seven & i Food Systems), Head Office, and delivery vehicles.

*3 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual.

*4 The values are for Denny's only.

Supporting the Active Role of Women, Youth and Seniors within and outside the Group

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> ●Conduct training centered on their basic stance and communication, as employees ●Provide e-learning with content tailored to the workplace 	<ul style="list-style-type: none"> ●Held 19 customer care training sessions led by Denny's sales division and store managers that were attended by 445 employees Made revisions as necessary based on the situation at each store ●Released 6 new types of content and began reviewing the contents for store openings 	<ul style="list-style-type: none"> ○ ○ 	<ul style="list-style-type: none"> ●Continue store manager training using external instructors. Revise the content to tailor it to the issues company employees face ●Review each division's essential educational tools
Assuring fair assessment and treatment of employees				
	<ul style="list-style-type: none"> ●Introduce the ranking system within job responsibilities Implement evaluator training 	<ul style="list-style-type: none"> ●Introduced system in June 2017 Evaluator drills and training were not implemented 	<ul style="list-style-type: none"> ○ × 	<ul style="list-style-type: none"> ●Conduct evaluator training
Achieving a work-life balance				
	<ul style="list-style-type: none"> ●Monthly overtime: of less than 20 hours ●Leave to be taken: (9 days or more in one month) 	<ul style="list-style-type: none"> ●NA16.3h contract 14.0h PA3.1h ●9 or more days taken: 81.1% 	<ul style="list-style-type: none"> ○ △ 	<ul style="list-style-type: none"> ●NA15h.contract 12h.PA3h ●9 or more days taken: 90%
Making use of diverse human resources				
	<ul style="list-style-type: none"> ●Percentage of seniors employed: 6% or more ●Conversions of contractual employees: 20 employees ●Percentage of female managers Section manager or higher position: 10% or more Team leader or higher position: 12% or more 	<ul style="list-style-type: none"> ●Percentage of seniors employed: 6.4% ●Conversions of contractual employees: 10 employees ●Percentage of female managers Section manager or higher position: 8.9% Team leader or higher position: 28.1% 	<ul style="list-style-type: none"> ○ × ○ △ 	<ul style="list-style-type: none"> ●Percentage of seniors employed: 6% or more ●Conversions of contractual employees: 10 employees ●Percentage of female managers Section manager or higher position: 11% Team leader or higher position: 12%
労働安全衛生への配慮				
	<ul style="list-style-type: none"> ●FY2017 target for the number of occupational accidents at work: less than 320, down 20% ●Target for BMI of 25 or higher, down 10% ●Participation rate in regular health checks by employees: 100% ●Participation rate in health checks by employees who work the late night shift: 99% or higher 	<ul style="list-style-type: none"> ●Number of occupational accidents at work: 293 ●Number of employees with a BMI of 25 or higher: 1,179 (24.3%) ●Participation rate in regular health checks by employees: 99% ●Participation rate in health checks by employees who work the late night shift: 100% 	<ul style="list-style-type: none"> ○ ○ △ ○ 	<ul style="list-style-type: none"> ●Decrease number of occupational accidents at work to 250 or below ●Participation rate in regular health checks by employees: 100% ●Stress check rate: 80% ●Participation rate in health checks by employees who work the late night shift: 100%

Personnel Data

Breakdown of number of employees (as of the end of February 2018) (persons)		
Full-time employees*1		1,228
	Male	1,021
	Female	207
Part-time staff*2		8,262
	Male	2,076
	Female	6,186
Number of employees (full-time employees + part-time staff)		9,490
	Male	3,097
	Female	6,393
New graduate employees hired		58
	Male	28
	Female	30
Mid-career employees hired		2
	Male	2
	Female	0

	FY2015	FY2016	FY2017
Average length of service (full-time employees)	13 years 0 months	14 years 5 months	14 years 8 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	69 (0.56)	45 (3.33)	45 (1.39)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	1 (1.0)	0 (0.0)	1 (0.1)
Number of volunteer leave recipients	0	2	0
Number of female managers (percentage)*4	77(10.9%)	80(11.5%)	277(28.1%)
	Team leader	71(12.0%)	268(30.3%)
	Section manager	7(8.3%)	6(7.4%)
	Division manager	1(7.1%)	0(0.0%)
	Executive officer	4(30.8%)	4(28.6%)
Percentage of employees with disabilities*5	2.40%	2.42%	2.55%
Percentage of paid leave taken by full-time employees	11.3%	17.7%	36.6%
Frequency rate of workplace accidents	0.87%	0.81%	0.78%
Severity rate of workplace accidents	0.02%	0.02%	0.02%

*1 Data includes 72 persons reemployed after mandatory retirement

*2 Monthly average, 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)

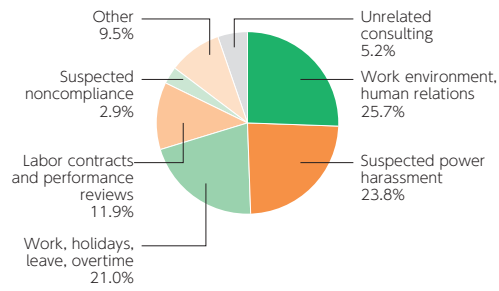
*4 The percentage of team leaders or higher positions.

*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

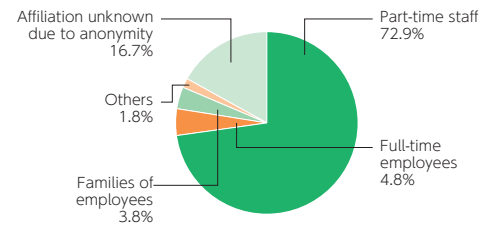
Data for Consultation Services for Employees

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 relations and inquiries regarding contracts increased. The importance of awareness of 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 (in particular on parenting and family care), and adapting the content of training depending on the targeted recipients and their job positions.

Description of contacts received by Customer Response Service by topic for FY2017
 Contacts received: 120
 (up 8.1% from the previous fiscal year)



By user category



Akachan Honpo Co., Ltd.

Website: <http://www.akachan.jp/csr/> (in Japanese)

Number of stores as of fiscal year ended February 28, 2018: 110

Providing Social Infrastructure in an Era with an Aging Society and Declining Population

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Supporting carers and seniors	<ul style="list-style-type: none"> ● Deploy Smile Childcare Advisors at all stores, and set up systems specializing in maternity-goods customers offering customer service that provides close support 	<ul style="list-style-type: none"> ● Established the certification system in October 2017 along with a post dedicated to customer care. 84 employees (48 stores) received certification and 21 individuals were hired for the post (21 stores) 	○	<ul style="list-style-type: none"> ● Aim to place certified employees in all stores and dedicated customer care staff in 50 stores
Providing support in times of disaster	<ul style="list-style-type: none"> ● Respond when there are requests from disaster areas 	<ul style="list-style-type: none"> ● Collected donations and funds from July 6 to July 19, 2017 for the heavy rainfall that affected Kyushu ● Collected donations and funds from February 9 to February 22 for the Taiwan Eastern Earthquake 	○	<ul style="list-style-type: none"> ● Respond when there are requests from disaster areas

Providing Safety and Reliability through Products and Stores

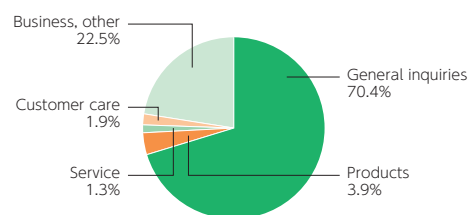
Data from Customer Response Services

As a customer consultation desk that operates 24 hours a day, seven days a week, and offers toll-free phone calls, we listen to customer requests, opinions, and inquiries, get alongside them and respond in a fast and honest manner. Since many of our customers are first-time users of our services, they have numerous problems, things that they do not know about, and uncertainties. In order to alleviate such apprehensions even a little, we strive to deliver kind customer care. We will work to improve the skills of the persons in charge so that they can respond smoothly and provide responses that satisfy customers, thereby increasing the overall response service quality of the call center.

Description of contacts received by Customer Response Service by topic for FY2017

Contacts received: 14,861

(down 1.3% from the previous fiscal year)



FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> ●Number of lot defects *Private brand (PB) figures are in parentheses. 47 cases in FY2015 (5 cases) 34 cases in FY2016 (11 cases) Although the overall defects decreased, private brands' defects increased in FY2016. As PB products are expected to increase in the future, we will focus on private-brand management, aiming for 30 cases or fewer in FY2017. 	<ul style="list-style-type: none"> ●Number of lot defects *Private brand (PB) figures are in parentheses. 26 cases in FY2017 (7 cases) While the target was met, due to a large number of voluntary recalls occurring in the second term, results were similar to the previous year. For clothing, changes in the implementation of advance PB checks helped prevent incidents. 	○	<ul style="list-style-type: none"> ●Keep number of lot defects in FY2018 to 25 cases or fewer. Issues with data falsification and so on have led to many media reports questioning the company's stance, so shift toward immediately issuing recalls when a problem arises. Prevent accidents through steady use of advance checks.
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> ●Proactively set up a space that can be used both for relaxation and as an event venue. 	<ul style="list-style-type: none"> ●Event space was set up in new stores. 	○	<ul style="list-style-type: none"> ●Proactively set up a space that can be used both for relaxation and as an event venue.
Assuring appropriate information provision				
	<ul style="list-style-type: none"> ●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. 	<ul style="list-style-type: none"> ●Number of inadequate displays in FY2017: 67 In terms of details, the inadequacies with event registration displays (15), product specification displays (12) stand out in particular. There were also high-risk inadequacies such as dual prices, production area, function and performance, effect, and specific allergens. 	×	<ul style="list-style-type: none"> ●Conduct in-house training regarding specific examples related to the Act against Unjustifiable Premiums and Misleading Presentations to ensure compliance with the law during work and create a system to prevent reoccurrences. Internal training: 10 sessions FT information distribution: 8 times.
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> ●In FY2017, 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. 	<ul style="list-style-type: none"> ●In FY2017, the number of customer service complaints was 468, which is 55.5% greater than the target rate and greatly misses the target by 203 cases. The incidence rate was 22.8 PPM, which missed the target by 10.8 PPM. Compared to previous year, the number of complaints increased by 100, and the incidence rate decreased by 5.1 PPM. Potential reasons include that reporting all customer complaints in stores was made mandatory, and the majority of complaints concern employees' lack of skill and their expressions and behavior, with several similar complaints contributing to the increase. 	×	<ul style="list-style-type: none"> ●Recognizing that it is not realistic to expect to exceed the targets for FY2018 in terms of the number and incidence rate (PPM) of customer service-related complaints, the goal this year is to not exceed the previous year's results of 468 cases and an incidence rate of 22.8, as well as to prevent the same complaints from occurring again. Plan a system in which the supervisors and employees of stores where complaints occur must submit an Evaluation Sheet for each incident to put a stop to complaints.

* Parts Per Million (PPM): Calculated by dividing the number of complaints by the number of customers and dividing the result by 1 millionth.

Non-Wasteful Usage of Products, Ingredients and Energy

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> ●Renew Head Office and Sendai-Izumi store air conditioning (Reduction of approximately 60 kL annually) 	<ul style="list-style-type: none"> ●Head Office air conditioning upgraded: 4.4 kL Transformers upgraded: 5.5 kL ●Sendai-Izumi store air conditioning was not upgraded. 	×	<ul style="list-style-type: none"> ●Wakaba Walk store air conditioning unit upgrade (approximately 25 kL annually)
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> ●Plastic bag turndown rate: 8.0% 	<ul style="list-style-type: none"> ●Plastic bag turndown rate: 5.8% 	△	<ul style="list-style-type: none"> ●Plastic bag turndown rate 8.0%
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> ●In addition to "June Environment Month," proactively raise awareness employees through the internal newsletter. 	<ul style="list-style-type: none"> ●Proactively raised awareness employees through the internal newsletter and company-wide business correspondence. ●Collected empty cosmetics containers (212 units) 	○	<ul style="list-style-type: none"> ●In addition to "June Environment Month," proactively raise awareness employees through the internal newsletter and company-wide business correspondence. ●Plan to have unit stores clean their surroundings in the same Environment Month (9 stores total)

Environmental Data

Challenges	Unit	FY2015	FY2016	FY2017
CO ₂ emissions*1 *2 *3	t-CO ₂	18,464	17,000	16,669
CO ₂ emissions from store operations (per store)*1 *1	t-CO ₂	18,183(175)	16,770(157)	16,432(144)
Electricity consumption in store operations*1	GWh	31	30	29
Water usage in store operations*1	1,000m ³	45	26	22
Plastic bag turndown rate	%	6.8%	6.4%	5.8%

*1 The period of the calculations was from April to March.

*2 CO₂ emissions stemming from the use of energy in store operations and in headquarters operations

*3 CO₂ emissions were calculated according to the Seven & i Holdings Group-Wide CO₂ Emissions Calculation Manual.

Supporting the Active Role of Women, Youth and Seniors within and outside the Group

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> ●Assistant store manager (team leader rank) managerial research Target: Hold once every half year, to encourage over 30% of female employees to participate 	<ul style="list-style-type: none"> ●Training conducted as planned. Participation by female employees (including part-time employees) exceeded 30% First term: 64%, Second term: 89% 	○	<ul style="list-style-type: none"> ●To encourage female part-time workers to be active, the assistant store manager (team leader rank) should hold a training session once every term and encourage 30% or more of female employees to participate
Assuring fair assessment and treatment of employees				
	<ul style="list-style-type: none"> ●Review the status of how employees apply for and actually take leave, and ensure 100% of leave is taken 	<ul style="list-style-type: none"> ●Percentage of employees who took leave: 99.1% 	△	<ul style="list-style-type: none"> ●Percentage of employees who take leave: 100%
Achieving a work-life balance				
	<ul style="list-style-type: none"> ●Percentage of eligible employees taking childcare leave: 50% or higher ●Keep each employee's overtime below 15 hours 	<ul style="list-style-type: none"> ●Percentage of employees taking childcare leave: 21.6% ●Kept each employee's overtime below 11.9 hours 	<ul style="list-style-type: none"> × ○ 	<ul style="list-style-type: none"> ●Increase percentage of employees taking childcare leave to 30% or more ●Keep each employee's overtime below 15 hours
Making use of diverse human resources				
	<ul style="list-style-type: none"> ●Number of existing part-time leaders: 220 ●Percentage of female managers (section manager or higher): 25% or more ●Assistant store managers or higher rank appointed from employees working childcare-related reduced hours: 15 or more 	<ul style="list-style-type: none"> ●Number of existing part-time leaders: 207 ●Percentage of female managers (section manager or higher): 22.9% ●As of March, the number of employees working reduced hours was 19 (15 assistant store managers, 4 BY/DB) 	○	<ul style="list-style-type: none"> ●Make it such that no stores lack a part-time leader ●Percentage of female managers (section manager or higher): 25.6% ●Maintain the current conditions and aim for 20 or more employees working childcare-related reduced hours
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> ●Workplace accidents: less than 30 	<ul style="list-style-type: none"> ●Workplace accidents: 38 	×	<ul style="list-style-type: none"> ●Workplace accidents: less than 30

Personnel Data

Breakdown of number of employees (as of the end of February 2018)		(persons)
Full-time employees*1		902
	Male	503
	Female	399
Part-time staff*2		2,302
	Male	145
	Female	2,157
Number of employees (full-time employees + part-time staff)		3,204
	Male	648
	Female	2,556
New graduate employees hired		49
	Male	12
	Female	37
Mid-career employees hired		12
	Male	9
	Female	3

	FY2015	FY2016	FY2017
Average length of service (full-time employees)	14 years 9 months	13 years 8 months	14 years 10 months
Number of full-time employees who took childcare leave (males, part-time staff)*3	144 (1, 99)	116 (0, 63)	108 (0, 64)
Number of full-time employees who took nursing care leave (males, part-time staff)*3	0 (0, 0)	3 (0, 2)	4 (0, 4)
Number of volunteer leave recipients	NA	NA	NA
Number of female managers (percentage)*4	168(32.1%)	180(33.3%)	188(33.7%)
	Team leader	116(45.5%)	120(46.0%)
	Section manager	49(20.6%)	58(22.9%)
	Division manager	5(15.6%)	3(11.5%)
	Executive officer	4(22.2%)	3(18.8%)
Percentage of employees with disabilities*5	2.03%	2.20%	2.10%
Percentage of paid leave taken by full-time employees	39.6%	39.2%	41.2%
Frequency rate of workplace accidents	0.00%	0.00%	0.35%
Severity rate of workplace accidents	0.00%	0.00%	0.01%

*1 Data includes 12 persons reemployed after mandatory retirement.

*2 Monthly average, 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.

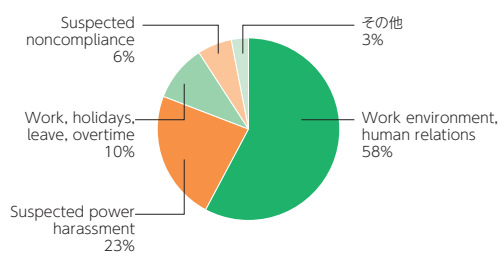
*5 The rate for the fiscal year is the rate as of June 1 of the following fiscal year.

Data for Consultation Services for Employees

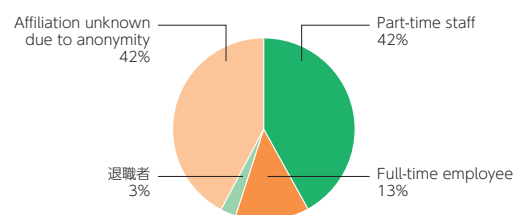
Due to insufficient communication, there were many consultations received from employees who felt they were subject to power abuse. Throughout the company, we are repeatedly working to drive home to them the importance of communication. Continuing in the fiscal year ending February 28, 2018, the education 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.

Description of contacts received by Customer Response Service by topic for FY2017

Contacts received: 31
(up 11% from the previous fiscal year)



By user category



Providing Social Infrastructure in an Era with an Aging Society and Declining Population

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Supporting carers and seniors				
	<ul style="list-style-type: none"> ● Continue donations of picture books ● Strengthen cooperation with children's centers 	<ul style="list-style-type: none"> ● Continued donating picture books to children's centers by issuing Bonolon cash cards ● Began donating to the "Supporting Everyone's Communication Project" of the Foundation for Promoting Sound Growth of Children 	○	<ul style="list-style-type: none"> ● Continue donations of picture books ● Strengthen cooperation with children's centers
Cooperating with local community revitalization				
	<ul style="list-style-type: none"> ● Promote employee participation in volunteer opportunities 	<ul style="list-style-type: none"> ● 13 employees took volunteer leave ● 10 Employees participated in volunteer activities and such organized by the Chiyoda Business Volunteer Association, a group comprised of businesses located in Chiyoda Ward, where the Head Office of Seven Bank is located 	△	<ul style="list-style-type: none"> ● Encourage employees to participate in regional contribution activities
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> ● Continue to gather and utilize information on anti-social forces to prevent transactions ● Continue to improve detection capabilities for evolving and diversifying financial crimes, and to strengthen prevention measures ● Promote the prevention of all types of financial crimes by strengthening collaboration with investigating agencies and business partners. 	<ul style="list-style-type: none"> ● Appropriately prevented transactions with anti-social forces by continuing to gather and utilize information on them ● Improved detection capabilities based on the results of research and analysis of financial crimes (including money laundering) and strengthened prevention measures and money laundering countermeasures ● Promoted initiatives to prevent all types of financial crimes by strengthening collaboration with investigation agencies and business partners 	○	<ul style="list-style-type: none"> ● Continue to gather and utilize information on anti-social forces to prevent transactions ● Continue to improve detection capabilities for financial crimes that are evolving and growing more diverse (including money laundering), and strengthen prevention measures and money laundering countermeasures ● Promote the prevention of all types of financial crimes by strengthening collaboration with investigating agencies and business partners.

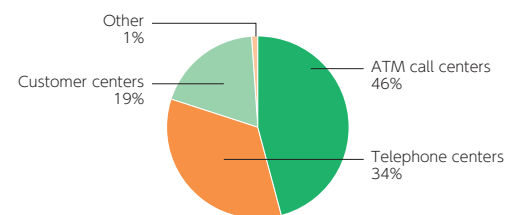
Providing Safety and Reliability through Products and Stores

Data from Customer Response Services

Seven Bank takes the opinions and requests it receives from customers sincerely and is working to enhance and expand future services based on the customer inquiries.

At the customer center for overseas money transfers, we are able to respond to inquiries in nine languages.

Description of contacts received by Customer Response Service by topic for FY2017
 Contacts received: 895,440
 (up 4.7% from the previous fiscal year)



Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Ensuring the quality and safety of products and services				
	<ul style="list-style-type: none"> ● Enhance various types of training, independent of scenario ● Conduct initial training on the assumption that a pandemic has occurred ● Continue BCP officer meetings, and maintain and strengthen the system by sharing information and resolving issues 	<ul style="list-style-type: none"> ● Confirmed BCP's efficacy by incorporating unexpected incidents into training ● In light of social conditions, we confirmed the efficacy of initial responses by changing the training to involve a hypothetical terrorist act ● Maintained and strengthened the system through continuous BCP officer meetings 	○	<ul style="list-style-type: none"> ● Enhance maintenance of the system through continuous training to ensure that BCP is carried out
Maintaining more customer-friendly and reliable stores and facilities				
	<ul style="list-style-type: none"> ● Continue to promote ATM functions to meet diverse needs 	<ul style="list-style-type: none"> ● Collaborated with entities other than financial institutions. Made it possible to use our ATMs to charge Softbank Cards and LINE Pay ● Began a cash receipt service around spring 2018 (established the subsidiary Seven Payment Service, Ltd. in anticipation of the service beginning) ● Began remittance services aimed at the Philippines through the overseas remittance app ● Expanded the services and providers available for smartphone ATM transactions 	○	<ul style="list-style-type: none"> ● Continue to promote ATM functions to meet diverse needs
Responding sincerely to customer opinions (organization)				
	<ul style="list-style-type: none"> ● Continue initiatives to improve customer satisfaction 	<ul style="list-style-type: none"> ● Began the overseas card operation guide (available in 12 languages) as well as offering assistance through intercom-guided displays, available on the ATM screen ● Expanded points on contact with customers (began using chatbots, e-mail) ● Improved customer care to meet customers' expectations (received the highest rating (three stars) from an external agency (HDI) for our ATM call center and telephone center) 	○	<ul style="list-style-type: none"> ● Continue initiatives to improve customer satisfaction
Implementing crime prevention measures for local communities				
	<ul style="list-style-type: none"> ● Continue to gather and utilize information on anti-social forces to prevent transactions ● Continue to improve detection capabilities for evolving and diversifying financial crimes, and to strengthen prevention measures ● Promote the prevention of all types of financial crimes by strengthening collaboration with investigating agencies and business partners. 	<ul style="list-style-type: none"> ● Appropriately prevented transactions with anti-social forces by continuing to gather and utilize information on them ● Improved detection capabilities based on the results of research and analysis of financial crimes (including money laundering) and strengthened prevention measures and money laundering countermeasures ● Promoted initiatives to prevent all types of financial crimes by strengthening collaboration with investigation agencies and business partners 	○	<ul style="list-style-type: none"> ● Continue to gather and utilize information on anti-social forces to prevent transactions ● Continue to improve detection capabilities for financial crimes that are evolving and growing more diverse (including money laundering), and strengthen prevention measures and money laundering countermeasures ● Promote the prevention of all types of financial crimes by strengthening collaboration with investigating agencies and business partners.

Non-Wasteful Usage of Products, Ingredients and Energy

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Attaining an appropriate grasp of environmental impact				
	<ul style="list-style-type: none"> Continue grasping and disclosing greenhouse gas emission volumes (Scope 3 emissions) through the supply chain that the company indirectly discharges 	<ul style="list-style-type: none"> Scope 3 calculation planned 	△	<ul style="list-style-type: none"> Continue grasping and disclosing greenhouse gas emission volumes (Scope 3 emissions) through the supply chain that the company indirectly discharges
Improving energy efficiency and introducing renewable energy				
	<ul style="list-style-type: none"> Promote paperless operations 	<ul style="list-style-type: none"> Installed monitors in meeting rooms and open spaces and took other measures, which had some effect but did not lead to a significant reduction 	△	<ul style="list-style-type: none"> Promote paperless operations
Reducing waste and developing a recycling-oriented society				
	<ul style="list-style-type: none"> Promote the Three-Rs (reduce, reuse, recycle), including in offices 	<ul style="list-style-type: none"> Disposed ATMs (third-generation, 7 machines) Continuously using FSC-certified paper Implemented recycling and reusing of office stationery and books 	○	<ul style="list-style-type: none"> Three-Rs (reduce, reuse, recycle), including in offices
Raising environmental awareness among employees				
	<ul style="list-style-type: none"> Continue to active participation in Seven & i Holdings' Environment Volunteers and other activities Enhance the environment volunteer activities by participants in Seven Bank's own programs 	<ul style="list-style-type: none"> 26 employees participated in Seven & i Holdings' Great East Japan Earthquake Disaster Reconstruction Assistance Project, Tokyo Bay UMI Project, and Environment Volunteers 	△	<ul style="list-style-type: none"> Continue active participation in Seven & i Holdings' Environment Volunteers, Regional Volunteers, and other activities

Environmental Data

Challenges	Unit	FY2015	FY2016	FY2017
Volume of paper ordered for office automation equipment	1,000 sheets	5,437	5,178	4,591
Electricity used at the offices*	MWh	1,236	1,172	1,134

* Data was not available for some rental offices. Data includes staffed branches and directly managed ATMs.

Supporting the Active Role of Women, Youth and Seniors within and outside the Group

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Supporting development of employee abilities				
	<ul style="list-style-type: none"> Increase opportunities for personnel exchange both internally and externally, and support the autonomous growth of next-generation leaders 	<ul style="list-style-type: none"> Conducted newly appointed manager training (coaching, labor knowledge) Conducted leader cultivation training led by Seven & i Holdings Innovation training organized by the Ministry of Economy, Trade and Industry Conducted innovator mind training led by investors Dispatched employees to earn MBAs in Japan 	○	<ul style="list-style-type: none"> Increase opportunities for personnel exchange both internally and externally, and support the autonomous growth of next-generation leaders
Achieving a work-life balance				
	<ul style="list-style-type: none"> Proactively utilize the system to support in a good balance between work and childcare/nursing care 	<ul style="list-style-type: none"> Established a telecommuting system: 11 users Employees who took childcare leave: 16 Employees who used the short-hour work system due to childcare and nursing care: 20 	○	<ul style="list-style-type: none"> Proactively utilize the system to support in good balance between work and childcare/nursing care
Making use of diverse human resources				
	<ul style="list-style-type: none"> Promote diversity inclusion Create environments and awareness that allow all employees to perform to their full potential, regardless of nationality or gender Implement vigorous initiatives for employees with disabilities Continue to convert fixed-term employees to permanent employees 	<ul style="list-style-type: none"> Held lifetime design seminars Percentage of employees with disabilities: 2.22% Held lifetime design seminars (3 times) Provided nursing care support service mediation Regularly disseminated examples of general consultation on nursing care, Converted fixed-term employees to permanent employees (19 employees) 	○	<ul style="list-style-type: none"> Promote diversity inclusion Create environments and awareness that allow all employees to perform to their full potential, regardless of nationality or gender Implement vigorous initiatives for employees with disabilities Activate inner communication Create opportunities for all employees to participate
Assuring consideration for worker health and safety				
	<ul style="list-style-type: none"> Continue to ensure that employees take paid leave Devise measures to ensure that employees will leave the office on time during the targeted periods Conduct stress checks 	<ul style="list-style-type: none"> Percentage of paid leave taken: 87.2% Dedicated two separate periods to encouraging employees to leave the office on time Conducted stress checks 		<ul style="list-style-type: none"> Continue to ensure that employees take paid leave Devise measures to ensure that employees will leave the office on time during the targeted periods Conduct stress checks

Personnel Data

Breakdown of number of employees (as of the end of February 2018)		(persons)
Full-time employees*1		390
	Male	299
	Female	91
Part-time staff*2		97
	Male	12
	Female	85
Number of employees*3 (full-time employees + part-time staff)		487
	Male	311
	Female	176
New graduate employees hired		11
	Male	7
	Female	4
Mid-career employees hired		14
	Male	12
	Female	2

	FY2015	FY2016	FY2017
Average length of service (full-time employees)**4	6 years 6 months	7 years 7 months	8 years 2 months
Number of full-time employees who took childcare leave *5 (males, part-time staff)	10 (1.0)	13 (1.5)	16 (2.5)
Number of full-time employees who took nursing care leave*5 (males, part-time staff)	0 (0.0)	0 (0.0)	0 (0.0)
Number of volunteer leave recipients	9	11	13
Number of female managers (percentage)**6	22(10.0%)	55人(17.4%)	55人(17.9%)
	Team leader	3(60.0%)	35(30.2%)
	Section manager	19(10.3%)	19(10.7%)
	Division manager	0(0.0%)	1(7.1%)
	Executive officer	3(12.0%)	3(12.5%)
Percentage of employees with disabilities*7	2.28%	2.22%	2.20%
Percentage of paid leave taken by full-time employees	78.7%	83.2%	87.2%
Frequency rate of workplace accidents	1.04%	0.00%	0.00%
Severity rate of workplace accidents	0.00%	0.00%	0.00%
Number of employee consultations	0	1	2

*1 Data includes 37 persons reemployed after mandatory retirement.

*2 Monthly average, 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, and temporary staff; and includes people dispatched from outside the company to the company

*4 The company was established in 2001

*5 Persons who took such leave in the applicable years (takers continuing leave from the previous year + new takers of leave)

*6 The percentage of section managers 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.

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

FY2017 Targets/Results and FY2018 Targets

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

Challenges	FY2017 Targets and Plans	FY2017 Results and Outcomes	Evaluation	FY2018 Targets
Offering eco-friendly products	●Stable operations of eco-friendly ATMs	●ATM operation is stable	○	●Stable operations of eco-friendly ATMs