

1 Seven & i Food Systems Co., Ltd.

	Companies' approach
□ Background and purpose of accounting	<ul style="list-style-type: none"> ● To understand the state of CO2 emissions from our entire supply chain and the categories that generate a large amount of CO2 emissions, and use it as a reference for effective policy planning towards reducing CO2 emissions and environmental impact, and business efficiency.
□ Utilization of accounting results	<ul style="list-style-type: none"> ● To identify business sites which we should focus on to improve emissions over the supply chain, and to utilize as a basis of actions to promote supply-chain engagement. ● For communication to the public, we disclose accounting results and historical trend in our CSR reports, etc. ● To prepare for responding to stakeholder inquires, and environmental related survey requests.
□ Benefits of accounting	<ul style="list-style-type: none"> ● To understand accounting results, that shows supply-chain CO2 emissions by category, helps us prioritize actions that we should undertake to reduce emissions. ● It allows us to demonstrate our attitude towards the environment as a company that accounts for supply-chain emissions.
□ Internal system for accounting	<ul style="list-style-type: none"> ● CSR promotion office cooperates with relevant departments (divisions of store development, merchandise, operation, personnel affairs., etc.) to conduct data collection and accounting.

2 Seven & i Food Systems Co., Ltd.

	Companies' approach
<p>□ Efforts to reduce supply chain emissions</p>	<ul style="list-style-type: none"> ● We will constantly reduce CO2 emissions by restructuring logistics facilities, and reconsidering delivery routes. ● Promoting efforts towards reducing environmental impact, such as introducing LED lighting, and switching to energy saving cookware, refrigeration equipment, and air-conditioning equipment. ● Category 1 is the largest emission source in our business operation, accounting for approx. 50% of total CO2 emissions and over 80% of Scope 3 emissions. As stated in our environmental policy as “We will fulfill our corporate responsibility by striving for energy saving and pollution prevention in business operations,” we will reduce CO2 emissions from Category 1, the core area of our businesses, in cooperation with supplier companies. ● We will continue to check the trend of supply-chain CO2 emissions, and by doing so, we can identify CO2 hot-spots, which helps us consider more efficient reduction actions.
<p>□ Issues in supply chain emissions accounting</p>	<ul style="list-style-type: none"> ● As this accounting covers various items over a broad range of business, it takes an enormous workload in data collection from relevant divisions and accounting practice, which is an issue for our company. ● On the other hand, we recognize the importance of continued data collection for having verification or adjustment of actions. Therefore, we will establish a data-sharing system that covers suppliers, too, and consider how to draw a more accurate picture of emissions.
<p>□ Other</p>	<ul style="list-style-type: none"> ● We received third party verifications to ensure the adequacy of the CO2 emissions accounting. ● For this accounting to understand our supply-chain emissions, we accounted for 10 categories, excluding Categories 8, 10, 11, 14 and 15 which are not relevant to our business operations.

3 Seven & i Food Systems Co., Ltd.

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	Sales amount by product category	Emission factor per sales amount (t-CO ₂ /mil. yen) ※1
Category 2: Capital goods	Amount of capital investment	Emission factor per capital good (t-CO ₂ /mil. yen) ※1
Category 3: Fuel and energy related activities not included in Scope 1 or 2	Energy consumption	Emission factor per energy used (t-CO ₂ /t) ※1,2
Category 4: Transportation and delivery (upstream)	Transportation weight x travel distance	Emission factor per transportation weight x travel distance (t-CO ₂ /1,000tkm) ※2
Category 5: Waste generated in operations	Waste generation by type of waste	Emission factor by type of waste (t-CO ₂ /t) ※1
Category 6: Business travel	Travel cost that the company owes	Emission factor per travel cost (t-CO ₂ /1,000yen) ※1
Category 7: Employee commuting	Commutation cost that the company owes	Emission factor per commutation cost (t-CO ₂ /1,000yen) ※1
Category 8: Leased assets (upstream)	NA	
Category 9: Transportation and delivery (downstream)	Transportation weight x travel distance	Emission factor per transportation weight x travel distance (t-CO ₂ /1,000tkm) ※2
Category 10: Processing of sold products	NA	
Category 11: Use of sold products	NA	
Category 12: End-of-life treatment of sold products	Waste generation (estimated from sales amount)	Emission factor by type of waste (t-CO ₂ /t) ※1
Category 13: Leased assets (downstream)	Energy consumption by tenants	Emission factor per energy use (t-CO ₂ /1,000kwh) ※3
Category 14: Franchises	NA	
Category 15: Investments	Not included in the scope of calculations, because we are not the applied enterprise provided in the basic guidelines	
Other	Not included in the scope of calculations, because it is an option category	

※1 Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain(ver.2.1)

※2 Carbon Footprint Communication Program Basic Database Ver.1.01

※3 Emission factor used for GHG Accounting, Reporting and Publication System, emission coefficient by electricity user

4 Seven & i Food Systems Co., Ltd.

Accounting results

● Supply chain emissions

