

Business Partner Action Guidelines

I. Request for and Objectives of the Guidelines

SEVEN&i Group consistently endeavors to be a sincere company trusted by the various stakeholders who support our corporate activities, such as “customers, business partners, shareholders, local communities and employees.” This has been stated as our “corporate creed” since incorporation, and we aim to make the “SEVEN&i Group Corporate Action Guidelines” thoroughly understood by all employees.

Today, in connection with the globalization of the economy and the diversification of the needs of stakeholders, it is now strongly demanded that corporations, as part of their social responsibilities, engage in business responsibly to ensure compliance with laws and regulations, promote environmental preservation, and consider working conditions throughout the entire supply chain, including business partners, in relation to the products and services handled by corporations themselves.

In light of such circumstances, the Company formulated the “SEVEN&i HLDGS. Business Partner Action Guidelines (the “Guidelines”)” in 2007, and revised it in 2017. The Company considers that, through the understanding and implementation of the Guidelines by the direct business partners of each company in the company group, not only will stable business activities for both business partners and each company in the company group be possible, such as reduction of the risk of business suspension due to violation of laws and regulations and the avoidance of customer boycotts stemming from such incidents, but that this will also lead to the maintenance and enhancement of product safety and quality. Further, with the understanding and implementation of the company group’s attitude and the object of the Guidelines by not only direct business partners but also by suppliers from which business partners procure the products and raw materials handled in the company group, we are convinced that further trust from various stakeholders can be obtained and thus we can contribute to the realization of a sustainable society, and coexist and prosper together.

Due to this belief, business partners are asked to develop systems to ensure compliance with the Guidelines at your company and by your company’s suppliers as well.

We hereby sincerely request the further cooperation of our business partners.

April 2017
Ryuichi Isaka
SEVEN&i HLDGS. Co., Ltd.
President and Representative Director

II. SEVEN&i Group Business Partner Action Guidelines

SEVEN&i Group requests that not only its business partners themselves, but also the suppliers from which business partners procure the products handled in SEVEN&i Group, understand, make known and implement measures regarding the following matters.

Transactions may be temporarily suspended or contracts may be terminated if any acts in violation of the Guidelines are discovered.

1. Legal Compliance

1. Compliance with both the provisions and the spirit of applicable laws in each country and region and relevant international rules.
2. Formulation of policies, construction of systems, implementation of training, and development of internal reporting systems, etc., for the purpose of legal compliance.

2. Respect for Human Rights and Dignity

The human rights and dignity of all individuals who are involved in their business activities shall be respected.

1. Creation of workplaces where a diverse range of individuals can realize their full potential shall be sought.
2. No use of child labor, which is banned under the ILO Conventions and applicable local laws.
3. All workers shall be engaged in their work of their own free will, and there shall be no forced labor. Workers shall not be unduly required to hand over their identification certificates or to pay a deposit.
4. Prohibition of discrimination on the basis of race, nationality, religion, gender, age, disability, sexual orientation*, gender identity*, labor union or political activities and achievement of equal opportunities on the occasion of employment, compensation, promotion, redeployment, training, dismissal or resignation.
5. There shall be no corporal punishment, or physical, psychological, or sexual harassment.
 - * Sexual orientation: Fundamental human sexual tendency regarding which gender a person's love interest or sexual interest is directed towards.
 - * Gender identity: Conception or sense of oneself as to which gender an individual belongs.

3. Employment and Workplace Environment

All individuals engaged in business activities shall be employed in a proper manner in a sanitary, functional, and employee-friendly work environment in consideration of safety and health.

1. Upon employment, an appropriate labor contract shall be entered into with the worker in accordance with applicable local laws.
2. Working hours shall be in compliance with applicable local laws. Workers shall be provided appropriate breaks and holidays established in accordance with applicable local laws.
3. Workers shall be paid minimum wage or more in accordance with applicable local laws. Workers shall be compensated at or above any prescribed statutory rate for their overtime work.

4. Overtime work shall not be required without a worker's consent.
5. There shall be no use of young workers at night and/or in dangerous working conditions.
6. It shall be ensured that workplace buildings have sufficient strength to guarantee employees' safety, and that permissions and approvals under the local building standards related laws and regulations have been obtained, and that buildings have been properly inspected and passed examinations.
7. There shall be emergency exits, evacuation routes and signs in the workplace and periodic inspections and evacuation training shall be conducted.
8. Hygienic restrooms and drinking water shall be available for workers and their use during work hours shall not be restricted.
9. Workers shall be provided with the necessary material for their work, including personal protective equipment, information displays, and training.
10. If housing facilities are provided for workers, a safe and hygienic living environment shall be provided.
11. Laws concerning employee benefits shall be complied with, and creation of an employee benefit program that allows workers to do their jobs without undue concerns shall be sought.
12. Sound labor-management relationships through sincere dialogue and discussion with workers or their representatives shall be developed. Workers' rights to freedom of association shall be respected.

4. Preservation of Global Environment

Businesses shall be conducted in consideration of the global environment in all aspects, such as in the procurement of raw materials, manufacture and supply in such a manner that contributes to developing a sustainable society.

1. Applicable environmental laws, regulations, and international conventions shall be complied with.
2. There shall be no use of chemical substances that are prohibited under international conventions or local legislation, or by operating companies of SEVEN&i Group. Waste, exhaust, and waste water shall be properly managed to prevent environmental pollution.
3. Attainment of a proper understanding of the effects the businesses have on the environment.
4. Energy saving as a measure to alleviate climate change shall be sought, and the emission of greenhouse gases shall be reduced.
5. Raw materials shall be procured in a sustainable manner in order to prevent the exhaustion of resources and in consideration of the production environment as well.
6. The importance of biodiversity shall be recognized and biodiversity shall be conserved.

5. Relationship with Local and International Communities

Respect for the cultures and customs, etc., of countries and regions where businesses are carried out, and cooperation for the development of a sustainable society.

1. Understanding of various social issues regarding local and international communities through dialogues, and contribution to the solution of these issues through cooperation, collaboration and business, among others.
2. No association with organized crime groups, organized crime group members, organized crime group related companies and groups, corporate racketeers (*sokaiya*), groups engaging in criminal

activities under the pretext of conducting social campaigns or political activities, and crime groups specialized in intellectual crimes, or other antisocial forces.

6. Information Management

Appropriate maintenance of information obtained in the course of business.

1. In order to prevent information leakage or theft, strict controls shall be placed on the information and personal data obtained in the course of business.
2. Such information shall be used for the intended business activities only. Therefore, it shall not be used for any other business or private purposes, or by any other parties.

7. Product Safety Assurance

To deliver safe and reliable merchandise to final consumers, compliance with the quality standards of relevant operating companies of SEVEN&i Group and the matters set forth below shall be sought:

1. Legal standards set forth in both the country of production and country of sale are observed.
2. Necessary information pertaining to products and services is disclosed in a timely and accurate manner.
3. On recognition of a possible disadvantage to our customers (final consumers), relevant information will be disclosed in a prompt and accurate manner so as to remove the cause of, or to prevent the materialization of disadvantage, and measures to prevent dispersion of disadvantage shall be conducted with the utmost priority.
4. Conduct of procurement activities with consideration of the impact on the local community of the use of raw materials that may trigger social issues such as those regarding human rights and the environment, and implementation of measures to avoid use of such raw materials in the case of any concern therefor.

8. Fair Business Practices

Transactions shall be conducted in a fair, transparent, and appropriate manner, as well as under free competition. Appropriate and healthy relationships with political bodies and government agencies shall be maintained.

1. Free and fair competition shall be respected, and relevant laws and regulations such as the Anti-Monopoly Act and internal rules shall be complied with.
2. Transactions shall be conducted on appropriate terms and conditions pursuant to sound business practices and no personal gain or benefit shall be accepted.
3. Our business partners shall comply with the laws and regulations of each country and maintain sound and appropriate relationships with political bodies and government agencies when providing political contributions, gifts, entertainment or monetary benefits to domestic or foreign government officials, or other persons analogous thereto.

9. Protection of Intellectual Property

1. Protection of intellectual property rights held by or belonging to own company and precautions to prevent their infringement by any third party.
2. No engagement in any infringement of rights, for example, unauthorized acquisition or use of intellectual property such as third party's patents, utility models, designs, trademarks, and trade secrets, unauthorized use of software and unauthorized copy of books, etc.

10. Export and Import Transaction Management

1. Compliance with all relevant laws and regulations regarding the export and import of products and raw materials, etc.
2. No connections with countries and regions, organizations or individuals that are subject to international economic or trade sanctions regarding the provision of funds and goods for products and raw materials, or wages as consideration for labor.

11. Development into Supply Chain

Our business partners shall strive so that the suppliers of business partners understand and act in accordance with the Guidelines, and undertake follow-up and corrective action as necessary from time to time.

12. Monitoring

Cooperation in putting the Guidelines into practice.

1. Cooperation in a monitoring program designed to verify their compliance with the Guidelines, if requested.
2. Appropriate preparation and maintenance of evidential documents and performance records supporting their compliance with the Guideline. If requested, such documentation shall be disclosed.
3. Measures to rectify identified noncompliance with the Guidelines shall be taken, if any.

III. Treatment of the Guidelines

If an act in violation of the Guidelines is confirmed, it may result in the suspension of business or contract termination.

SEVEN&i Group aims to enhance the corporate value of both business partners and SEVEN&i Group through the understanding of the object and the implementation of the Guidelines, and thus we would appreciate your understanding and cooperation.

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