

# Business Partner Action Guidelines

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## I. Background and Objectives of the Guidelines

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Our customers as well as our other stakeholders have a variety of interests in the products sold by our operation companies. These diverse concerns range from product safety, to working conditions at manufacturing sites, to environmental burdens generated by manufacturing processes. If acting alone, we and our operating companies will not succeed in addressing these concerns properly, or in maintaining and enhancing trust from our stakeholders. Collaboration and cooperation of our business partners is essential. A full understanding of and compliance with the Guidelines will help prevent risks of regulatory violations, and of resulting business suspensions or consumers boycotts. This will lead to a creation of even more stable business operations both at our business partners and our Group. As CSR is receiving growing attention, rigorous compliance with the Guidelines will also create business opportunities, together with greater quality, productivity, and improved reputations. We hope that all our business partners will agree to the Guidelines and underlying philosophy of our Group, and join us in working to obtain further trust from our stakeholders. Please note that for the purpose of the Guidelines, “business partners” include you and your own supply chains.

## II. Seven and i Holdings Business Partner Action Guidelines

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### 1. Legal Compliance

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In accordance with corporate ethics, our business partners shall comply with applicable local laws and relevant international rules.

### 2. Respect for Human Rights and Dignity

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Our business partners shall respect human rights and dignity of all individuals who are involved in their business activities.

1. Our business partners shall strive to create a workplace where diversified individuals can realize their full potential.
2. There shall be no use of child labor that 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 required unduly to hand over their identification certificates or to pay a deposit.
4. On the occasion of employment, compensation, promotion, redeployment, training, dismissal or resignation, our business partners shall prohibit discrimination on the basis of race, nationality, religion, gender, age, disability, sexual orientation, labor union, or political activities, and strive to achieve equal opportunities.
5. There shall be no corporal punishment, or physical, psychological, or sexual harassment.

### 3. Human Resources and Workplace Environment

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At our business partners, all individuals engaged in business activities shall be employed in a proper manner and work in a safe and worker-friendly environment.

1. Upon employment, an appropriate labor contract shall be entered into with the worker in accordance with applicable local laws.

2. Workers shall be paid minimum wage or more in accordance with applicable local laws. Workers shall be compensated at a statutory rate or more for their overtime work.
3. Working hours shall be in compliance with applicable local laws. Workers shall be provided appropriate breaks and holidays in accordance with applicable local laws.
4. Overtime work shall not be required without the worker's consent.
5. For workers' safety and health, our business partners shall provide a hygienic and functional workplace environment and ensure that hygienic restrooms and drinking water is available for workers.
6. Workers shall be provided with necessary material for their work, including personal protective equipment, displayed information, and training.
7. There shall be no use of young workers at night and/or in dangerous working conditions.
8. There shall be emergency exits and evacuation routes in the workplace and periodic emergency drills shall be conducted.
9. If housing facilities are provided for workers, they shall provide a safe and hygienic living environment.
10. Our business partners shall comply with laws concerning employee benefits, and strive to create an employee benefit program that allows workers to do their job without undue concerns.
11. Our business partners shall develop a sound labor-management relationship through sincere dialogue and discussion with workers or their representatives. Our business partners shall also respect workers' rights to freedom of association.

#### **4. Environmental Management**

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Our business partners shall make utmost efforts to prevent environmental pollution and reduce environmental burdens.

1. Our business partners shall comply with applicable environmental laws, regulations, and international conventions.
2. There shall be no use of chemical substances that are prohibited under international conventions or local legislation, or by operating companies of Seven and i Holdings.
3. To help mitigate global warming, our business partners shall strive to reduce their emissions of CO<sub>2</sub> and other greenhouse gases.
4. Our business partners shall promote activities toward more efficient consumption of energy and resources, reduction and recycling of wastes, proper control of airborne emissions and wastewater, prevention of environmental pollution, and reduction of environmental burden.
5. To conserve biodiversity, our business partners shall be actively engaged in nature conservation activities.

#### **5. Relationship with Society and Local Communities**

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Our business partners shall pursue good relationships with society and local communities.

1. Our business partners shall develop and maintain good relationships with society and local communities through collaboration and cooperation.
2. Our business partners shall act firmly against antisocial organizations and refuse to give in to their threats.

#### **6. Information Management**

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Information obtained in the course of business shall be maintained appropriately.

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. 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. Products Safety Assurance

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To deliver safe and reliable merchandise to final consumers, our business partners shall comply with the quality standards of relevant operating companies of Seven and i Holdings and shall ensure that:

1. Legal standards in Japan are observed;
2. Necessary information pertaining to products and services is disclosed in a timely and accurate manner; and
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 the disadvantage.

## 8. Fair Business Practices

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Our business partners shall conduct transactions in a fair, transparent, and appropriate manner, as well as under free competition. They shall also maintain normal and healthy relationships with politics and public administration.

1. Our business partners shall comply with applicable laws, regulations, and rules, and shall be prohibited from giving gifts to or entertaining personnel of operating companies of Seven and i Holdings in hope of receipt or maintenance of undue advantage or favorable treatment, and shall conduct transactions in accordance with fair and sound business practices.
2. Our business partners shall not give or offer bribes to domestic or foreign public officials.

## 9. Monitoring

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Our business partners shall cooperate in translating the Guidelines into practice.

1. If requested, our business partners shall cooperate in a monitoring program designed to verify their compliance with the Guidelines.
2. Our business partners shall appropriately prepare and maintain evidential documents and performance records supporting their compliance with the Guideline. If requested, our business partners shall disclose such documentation.
3. Our business partners shall take measures to rectify identified noncompliance with the Guidelines, if any.

## III. Treatment of the Guidelines

Compliance with the Guidelines by our business partners does not constitute an immediate prerequisite for a business with us.

In the future, however, compliance with the Guidelines may become a requirement to do business with us, when deemed appropriate in consideration of societal situations, demand from customers, stakeholders, and other elements. In such a case, noncompliance or a failure to rectify noncompliance with the Guidelines may result in suspension of business or termination of the contract.

We would appreciate your understanding and vigorous actions.

Formulated in March 2007