

SEVEN & i Group Business Partner Sustainable Action Guidelines

I. Introduction

- **SEVEN & i Group strives to behave in a sincere manner based on the corporate creed and contributes to the realization of a sustainable society.**

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.

- **We endeavor to build mutually beneficial relationships with our business partners and contribute to the achievement of the vision that “No one will be left behind” under the “2030 Agenda for Sustainable Development.”**

Together with our business partners, we strive to promote the concepts of “Respect and Protection of Human Rights,” “Preservation of Global Environment” and “Legal Compliance” and contribute to the realization of a sustainable society.

Together with our business partners, we strive to provide safe and reliable products and services to our customers and create a healthy and prosperous future.

Together with our business partners, we strive to work on social issues that cause social exclusion and promote the creation of a social structure in which no one is excluded.

II. Application of “SEVEN & i Group Business Partner Sustainable Action Guidelines”

SEVEN & i Group requests that all business partners understand and comply with “SEVEN & i Group Business Partner Sustainable Action Guidelines.”

1. All business partners shall understand and comply with this SEVEN & i Group Business Partner Sustainable Action Guidelines (hereinafter referred to as “Business Partner Action Guidelines”) and ensure that the suppliers from which they procure the products handled in SEVEN & i Group also understand the Business Partner Action Guidelines.
2. We request that business partners provide information on the conditions of compliance with the Business Partner Action Guidelines to SEVEN & i Group as necessary.
3. Any serious acts that constitute a violation of the Business Partner Action Guidelines, including accidents causing bodily injury, human rights abuse and non-compliance with laws shall be immediately reported to the appropriate people of each operating company of SEVEN & i Group. Immediate correction and remedy provision shall be conducted in connection with such acts, and efforts shall be made to prevent the spread of damage, identify the cause and take measures to prevent any recurrence.

4. Business partners who are involved in manufacturing and providing private brand products or services of SEVEN & i Group (hereinafter referred to as “PB Products”) shall develop a policy that includes the same provisions as the Business Partner Action Guidelines, share the policy inside or outside the company, create a framework to promote the policy, and make efforts to operate both the policy and the framework.
Business partners shall make a periodic examination of actual conditions to identify issues in their own company, provide remedies, correct the identified issues and take measures to prevent any recurrence.
5. Transactions may be temporarily suspended or contracts may be terminated if any serious acts including violations of human rights and laws that cause non-compliance with the Business Partner Action Guidelines are discovered. In such case, no restitution or compensation shall be provided by SEVEN & i Group and its operating companies even if any damage occurs.

III. SEVEN & i Group Business Partner Sustainable Action Guidelines

1. Respect and Protection of Human Rights

The human rights of all individuals who are involved in their business activities shall be respected and protected with the highest priority, and trusting relationships shall be established while striving to improve productivity.

1. International declarations such as “International Bill of Human Rights” and “International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work” shall be respected.
2. There shall be no direct or indirect involvement in abuse of human rights.
3. If human rights are not sufficiently protected under laws and regulations in each country or region, the protection shall be sought based on the standards of international declarations including “Universal Declaration of Human Rights” and “International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.”
4. Respect and protection of human rights shall not be ignored for business reasons.
5. If any human rights violation is discovered, remedies shall be applied to such worker.
6. Formulation of policies, construction of systems, implementation of training, and development of internal reporting systems, etc., shall be conducted for the purpose of respecting and protecting human rights.

2. Legal Compliance

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

3. No Child Labour and Protection for Young Workers

Children's education is essential to the development of a healthy and sustainable society, and child labour shall be eliminated as it prevents such opportunity. Young workers shall be fully protected due to their lack of experience in adapting to the society.

1. Upon employment, the age of any worker shall be verified.
2. There shall be no use of child labour, which is banned under the International Labour Organization (ILO) Conventions and applicable local laws.
*ILO conventions specify that workers shall not be younger than the age of compulsory education and must be at least 15 years of age in any case. (However, there is an exception that workers who work in dangerous working conditions must be at least 18 years of age in any country or at least 14 years of age during a transition period in developing countries, and there is another exception in job categories with light work or easy work.)
3. There shall be no use of workers under the age of 18 at night and/or in dangerous working conditions.

4. No Forced Labour

Employees shall be engaged in their work of their own free will, and there shall be no use of forced labour. The prohibited labour practices include labour or services without the worker's free will as well as forced labour due to fear of punishment.

1. Forced labour, detained labour and forced slave labour shall be eliminated.
2. Workers shall not be forced to deposit money nor provide the original documents of their identification as a deposit.
3. It shall be ensured that workers may leave the job of their own free will.
4. It shall be ensured that workers may leave the workplace after working hours, and no overtime work shall be performed without a worker's consent.
5. Use of security cameras and allocation of security staff are intended for crime prevention, information management and occupational safety management and shall not be intended for monitoring of employees.

5. Payment of Living Wages

Efforts shall be made to provide challenging and humane work opportunities and pay sufficient wages to ensure wholesome and cultured living. Living wages shall be maintained, contributing to the eradication of child labour and stability of society.

1. Workers shall be paid minimum wage or more specified in applicable local laws or by the industry. Whichever is higher shall be applied and paid.
2. Overtime allowance shall be paid and be equal to or more than the legal rate.

3. All allowance and employee benefits required by laws shall be provided to employees.
4. The sufficient discretionary amount of wages shall be paid to workers to allow them to eat food and live their lives at the standard level in each country and region.
5. Information about employment conditions shall be easily understood in a written form and available at any time.
6. The number of hours to be paid and breakdown of wages shall be shown to employees at the time of each payment of wages.
7. Wages shall be accurately calculated and the evidence shall be presented.

6. Elimination of Abuse, Harassment, Discrimination and Punishment

Any abuse, harassment, discrimination and punishment shall be eliminated, and efforts shall be made to promote humane and challenging work environment. Discrimination not only causes undue loss of work opportunities and violation of fundamental human rights, but also denies the existence of potential human resources that may contribute to society, leading to significant social loss.

1. Any physical or mental abuse, threatened abuse, or abuse of authority, sexual harassment and other harassment shall be prohibited and preventive measures shall be undertaken.
2. On the occasion of employment, compensation, promotion, redeployment, dismissal, or resignation, all effort shall be made on the prohibition and elimination of discrimination on the basis of race, skin color, gender, religion, political opinion, birth place, social origin, age, disability, HIV/AIDS infection, labour union membership, sexual orientation, gender identity or other statuses, and towards the achievement of equal opportunities.
3. If any abuse, harassment, discrimination or punishment is discovered, remedies shall be provided to such worker.
4. Monetary penalty shall be conducted to the extent specified under local laws. Procedures for disciplinary actions and the amount of penalty shall be determined to the extent permitted by laws and to the extent that does not prevent employees from living their lives. These matters shall be clearly specified in labour regulations or other rules and shall be thoroughly understood by all employees.

7. Employment and Protection of Workers

All individuals engaged in business activities shall be employed in a proper manner in a sanitary, functional, challenging and humane work environment in consideration of human rights protection, safety and health.

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

2. Labour hours, break time and holidays shall be subject to the provisions of applicable local laws or standards set forth by the industry, whichever is more advantageous to workers.
3. Overtime work shall not be required without a worker's consent.
4. Efforts shall be made to achieve the standards of working hours based on the International Labour Organization's (ILO) recommendation.
*ILO "Reduction of Hours of Work Recommendation, 1962" (except for workers engaged in agriculture, shipping and ocean fishing industry)
 - A principle of the forty-hour week shall be progressively achieved as a social standard.
 - There shall be no reduction in the wages of the workers when the hours of work are reduced.
 - Where the duration of the normal working week exceeds forty-eight hours, immediate steps should be taken to bring it down to a level of 48 hours.
5. It shall be ensured that workers may organize a labour union and become a member of a labour union at their discretion subject to local laws.
6. Policies and procedures to prohibit discrimination shall be developed in connection with activities such as organizing a labour union, becoming a member of a labour union, recruiting and decision making on promotion, dismissal or transfer of an employee.
7. An employer, labour union and representative of workers shall freely discuss issues to reach a satisfactory agreement for all of them and create an employer-employee relationship that works properly.
8. It shall be ensured that workplace buildings and equipment, and residences provided to workers are in compliance with standards enough 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.
9. In the workplace and residences provided to workers, there shall be emergency exits, evacuation routes and signs that are in compliance with standards set forth in local laws and regulations, and periodic inspections and evacuation training shall be conducted.
10. Hygienic restrooms and drinking water shall be available for workers and their use during work hours shall not be restricted.
11. Workers shall be provided with the necessary material for their work, including personal protective equipment, instructions on how to work, and training.
12. Chemicals shall be handled and stored in a proper manner, and efforts shall be made to prevent accidents and stop the spread of damage if an accident occurs.
13. 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.

8. 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, manufacturing and supply in such a manner that contributes to developing a sustainable society.

1. Environmental laws, regulations, and international conventions in each country and region 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.
3. Waste, exhaust, and waste water shall be properly managed to prevent environmental pollution.
4. There shall be a proper understanding of the effects the businesses have on the environment.
5. The importance of biodiversity shall be recognized and biodiversity shall be conserved.
6. Business partners that handle the PB Products from operating companies of SEVEN & i Group shall provide cooperation to achieve the group's goals under its "GREEN CHALLENGE 2050."
 - Reduce CO₂ emissions
 - Achieve 100 percent use of eco-friendly materials (biomass, biodegradability and recycled materials, paper, etc.) for packaging of original products by 2050
 - Achieve 100 percent recycling of food waste by 2050
 - Achieve 100 percent use of sustainable raw materials for original food products by 2050
7. Efforts shall be made to develop and promote eco-friendly technologies, and such technologies shall be actively applied.

9. Prevention of Confidential Information Leakage and Information Management

Information assets shall be kept "confidential," "complete" and "available" and shall be protected from threats including leakage, theft, falsification and damage due to willful acts or negligence.

1. A systematic framework shall be established to maintain and manage information security and its role and responsibility shall be determined.
2. All information shall be used only for the purpose of achieving business goals, and any use for other purposes, personal use or use by others shall be prohibited.
3. Information security related regulations shall be formulated and maintained, and all employees shall be provided with periodic educational opportunities and training.
4. For preparation against information security incidents or accidents, a framework to promptly take effective measures shall be established, and the procedures shall also be developed.
5. For preparation against disasters, accidents or other events, a business continuity plan shall be created and information security shall be ensured.
6. Laws, regulations and contractual obligations concerning information security shall be observed.
7. Self-inspections and internal audits shall be performed to confirm compliance with information security related regulations and verify the reasonableness and effectiveness of management measures for ensuring information security, and identified issues shall be corrected.
8. To prevent information leakage, human rights abuse and illegal acts caused by employees' use of social media, rules for use of social media shall be created and understood by employees through training.

10. Management of Personal Information

Protection of personal information is a major issue and social responsibility to be fulfilled in the course of business and shall be treated as an obligation to be performed by all executives and employees. It shall be ensured that all executives and employees shall perform their work in an appropriate manner.

1. Personal information shall not be used for purposes other than those specified, and an individual's consent is required before using personal information beyond the scope of use purposes.
2. A systematic framework to protect personal information shall be established and its role and responsibility shall be determined.
3. Personal information shall be obtained, managed, used and provided in a proper manner in compliance with laws and regulations.
4. Any incident or accident leading to leakage of personal information shall be immediately reported to relevant institutions and the appropriate people of operating companies of SEVEN & i Group, and necessary measures shall be taken to prevent the spread of damage.

11. Quality Control and Ethical Response

To make people live prosperously and healthy in society, safety, reliability, innovation and high quality shall be sought, and efforts shall be made to provide customers with satisfactory products and services. To deliver safe, reliable and ethical products 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. Responsibilities for respecting and protecting human rights, providing remedies, paying careful attention to employment and the working environment, and conserving global environment shall be performed in the process of procuring raw materials, manufacturing, producing, shipping, providing to final consumers and disposing waste in order to provide products and services.
2. Quality and labeling standards set forth in the country of production and country of sale shall be observed.
3. Products and services shall be developed and provided from the perspective of the customer and efforts shall be made to improve the quality of products or services enough to satisfy final consumers.
4. Laws and social norms shall be observed with a high sense of ethics about the development and provision of products and services.
5. Final consumers shall be provided with necessary information concerning products or services in an appropriate and understandable way.
6. It shall be ensured that products and services which are intended for children or likely to be used by children are safe and not mentally, morally or physically harmful to them.

12. Relationship with Local and International Communities

Human rights, environment, cultures, religions and customs, etc., of countries and regions where businesses are carried out shall be respected, and development of a sustainable society shall be worked towards.

1. There shall be an understanding of various social issues in international and local communities through dialogues, and contribution to the solution of these issues through cooperation, collaboration and business operations, among others shall be given.
2. Business activities that put local residents' lives in danger or harm their health shall not be conducted.
3. There shall be 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 persons or groups providing funds or benefits to anti-social forces.
4. Measures not to have any relationship with anti-social forces shall be taken, and it shall be confirmed that all companies with which the suppliers of business partners make transactions are not anti-social forces. Each contract shall contain the provisions concerning the elimination of anti-social forces.

13. Anti-corruption and 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. There shall be no involvement in any form of corruption including blackmail and bribery.
2. Any gifts, funds, rewards, compensations or other benefits that may lead to fraud, illegal acts or breach of trust shall not be provided or received directly or indirectly in the course of business.
3. Policies and training systems for anti-corruption shall be developed.
4. 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.
5. Transactions shall be conducted on appropriate terms and conditions pursuant to sound business practices and no personal gain or benefit shall be accepted.
6. Our business partners shall comply with the laws and regulations of each country and maintain 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.

14. Protection of Intellectual Property

1. Intellectual property rights held by or belonging to one's own company shall be protected and looked after to prevent their infringement by any third party.

2. There shall be 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 copying of books and information through a variety of media, etc.

15. Export and Import Management

1. All relevant laws and regulations regarding the export and import of products and raw materials shall be complied with.
2. There shall be no connections with countries and regions, organizations or individuals that are subject to international economic sanctions regarding the provision of funds and goods for products and raw materials, or wages as consideration for labour.

16. Development of Internal Reporting Systems

A framework shall be established to properly deal with matters reported from inside or outside the company in connection with fraud committed by an organization or individual and consultations related to the fraud, and efforts shall be made to proactively prevent human rights violations and fraud, achieve early detection and correction of them, and ensure thorough protection of human rights and maintenance of compliance.

17. Disaster Preparedness

For preparation against disasters, proactive measures shall be implemented to ensure the safety of employees and local residents which is the highest priority and to minimize damage. A business continuity plan shall be created to minimize damages to business assets and enable continuity of business operations or early recovery to normal business operations, and periodic simulations shall be performed to review the plan.

18. Development into Supply Chain

Our business partners shall strive so that the suppliers of business partners understand and act in accordance with the Business Partner Action Guidelines, and provide support and undertake corrective action as necessary from time to time.

19. Monitoring

Monitoring is intended to “provide our customers with safety and reliability,” “maintain mutually beneficial relationships with business partners” and “promote the Business Partner Action Guidelines.” We sincerely request that our business partners provide assistance in monitoring.

1. In the event monitoring to verify compliance with Business Partner Action Guidelines occurs, Business Partners shall cooperate.
2. There shall be appropriate preparation and maintenance of evidential documents and performance records supporting their compliance with the Business Partner Action Guidelines. Such documentation shall be disclosed and shared if requested to do so by SEVEN & i Group.
3. Measures to correct or rectify identified non-compliance with the Business Partner Action Guidelines shall be taken, if found through monitoring.

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