



GLORY

Supplier Code of Conduct Guidebook

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Production Headquarters
GLORY LTD.**

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Introduction

This guidebook aims to promote responsible procurement activities throughout the supply chain, including business partners, and to implement a sustainable society, not limited to activities within the GLORY Group.

We ask our business partners to understand the efforts of the GLORY Group and the matters we would like them to cooperate with (matters requested to our business partners) and check the specific progress on the "Responsible Procurement Activity Self-Checklist" to make improvements. By doing so, we would like you to promote responsible procurement activities.

It is also expected that the upstream suppliers of Partners be made aware of the concept of activities held by GLORY, so that GLORY's activities can be promoted throughout the entire supply chain.

Partners are kindly requested to understand and agree to the contents of the guidelines hereunder and be collaborative in promoting activities of GLORY.

I. About GLORY Group Sustainability

We believe that all activities of GLORY must lead to the implementation of a sustainable society. The basis of this idea is the corporate philosophy that has been maintained since the company was founded in 1918.

1. Corporate Philosophy

We will contribute to the development of a more secure society through a striving spirit and co-operative efforts

Our corporate philosophy represents GLORY's corporate goal and raison d'être.

"Striving spirit" includes our desire that "we will strive to meet the needs of customers and society with an unyielding spirit and make the impossible possible".

It represents the eternal origin of GLORY all through the ages that we can do a great job only when we combine the "power of everyone" who shares the "striving spirit".

Keeping the origin in mind, GLORY will contribute to the creation of a safe and secure society from now on.

2. Management Creed

- **Through a spirit of continuous development, we will provide products and services our customers can rely on.**

- **We will build a vigorous corporate group through respect for the individual and teamwork.**
- **We will endeavor to act as a responsible corporate citizen and co-exist harmoniously with society at large.**

Our managerial creed expresses what GLORY should aspire to and our management stance. In short, it constitutes our basic philosophy of management.

The three components of the managerial creed express our stance toward our customers and business operations, toward our employees, and toward society as a whole.

3. Corporate Action Guidelines

Business continuity / Securing profit / Profit redistribution

We will maintain profit stability by developing businesses based on the corporate philosophy and contribute towards building a sustainable society.

Quality / Safety / Customer satisfaction

We will provide products services which build customer confidence and satisfaction in a timely manner.

Information management

We will protect information such as personal data and company information.

Respect for individuals / Talent development / Workplace safety

We will respect each other's personality and individuality and strive to create an enriching and pleasant work environment.

Example by leadership/ Publicity

Under the strong leadership of the management, we will disseminate the Corporate Action Guidelines within the company and business partners, and strive to achieve them.

Legal compliance / Fair competition / Opposition to antisocial forces

We will comply with laws and regulations and respect social ethical standards, engage in transparent and fair business activities, and will not have relationships with parties that act anti-socially.

Information disclosure / Communication and cooperation with stakeholders

We will communicate with stakeholders and strive for appropriate information disclosure.

Contribution to society

We will harmonize and advance the interests of the company and society, and actively participate in social action programs as a “good corporate citizen”.

Environmental protection

We will act in earth-friendly ways and supply environment-friendly products and services and contribute to realize sustainable society.

International cooperation

We will engage in business activities in an internationally harmonized manner from a global perspective.

Risk management

We will strive to prevent and avoid business risk and to reduce disaster loss. We will ensure security of stakeholders.

4. Purchasing Policy

- **Basic philosophy**

We, as a GLORY Group, procure parts from our suppliers in a fair and transparent manner in all aspects of our transactions, while strictly observing related laws and regulations, and establishing the relationship built on the trust with them as their partner. We will also promote responsible procurement activities and develop initiatives for the development of a sustainable society.

(1) Strict compliance with legal and social norms

In addition to strict compliance with applicable laws, we respect the ethical norms of society and promote transparency, fairness, and equitability in our purchasing activities.

(2) Environmental preservation

Based on GLORY's Environmental Policy, "We will act in earth-friendly ways and supply environment-friendly products and services and contribute to realize sustainable society." We are committed to environmental preservation initiatives, and we have established Green Procurement Standards covering the purchasing and procurement of materials.

(3) Fairness and impartiality in transactions

GLORY provides opportunities on an impartial basis to all suppliers who comply with our selection guidelines, regardless of whether or not they are based in Japan and without regard to prior transaction history. We endeavor to find the best suppliers for our company by maintaining free competition and ensuring fair evaluation and selection.

(4) Maintenance of quality and competitive and reasonable pricing

Our Quality Policy is "We will provide products services in a timely manner to win the confidence and satisfaction of customers." We focus on quality, price, delivery schedules, and technology development, and we make active use of proposals from our suppliers regarding new materials and ways to lower costs.

(5) Mutual advancement based on relationships of trust

Through fair transactions, we aim to establish relationships of trust with suppliers and contribute to our mutual advancement.

(6) Management and protection of information

Confidential business and technical information acquired by GLORY in the course of purchasing transactions is managed strictly and never divulged to outside parties without the consent of the supplier concerned.

(7) Promotion of responsible procurement activities

We promote responsible corporate behavior in the supply chain with our business partners.

II. Requests to Business Partners

(1) Compliance with laws and respect for international norms in each country/region conducting business activities

Partners are requested to comply with the laws and regulations applicable in each country or region where they operate their businesses and are also requested to adhere to the following:

- Complying with the laws related with manufacturing/sales of materials, environment and product safety
- Prohibiting bribery to all kinds of stakeholders (illegal donation/profit sharing by cash or equivalents)

(2) Respect for human rights

It is requested to comply with laws and regulations related to human rights and respect the human rights of workers in the business activities of our business partners.

Prohibition of child labor, forced labor

- Prohibition of forced labor
- Prohibition of discrimination based on race, skin color, gender, etc.
- Prohibition of inhumane treatment
- Appropriate wage payments and management of working hours
- Freedom of association, respect for collective bargaining rights
- Prohibition of “slavery, slavery and compulsory or compulsory labor” and “human trafficking” as prohibited by the British Slavery Act

(3) Consideration for safety and health

In addition to complying with related laws and regulations in the business activities of our business partners, please pay attention to the safety and health guidelines of the ILO, minimize injuries and physical and mental illnesses associated with the work of workers and create a safe and hygienic work environment.

(4) Environmental preservation

Based on GLORY's Environmental Policy, "We will act in earth-friendly ways and supply environment-friendly products and services and contribute to realize sustainable society." We are committed to environmental preservation initiatives,

and we have established Green Procurement Standards covering the purchasing and procurement of materials.

(5) Continuance of sound business management

It is requested that Partners shall conduct sound business management for continuous business based on mutual trust and disclose information on the management policy and business conditions including financial position.

(6) Ensuring superior quality and stable supply at reasonable price

In order to maintain and improve the quality of products to be provided to customers, Partners are requested to supply the materials that meet the quality demanded by the group of GLORY, comply with the local and regional safety standards and keep a stable supply of materials at competitive prices.

(7) Maintenance and improvement of information security

It is requested that GLORY's business partners shall maintain and improve the information security in order to properly control and protect confidential information received from clients, third parties and their employees.

(8) Cooperation to keep continuous supply

Should unexpected disasters occur, members within the entire supply chain of GLORY group and Partners are requested to share the information and cooperate to continue supplying materials to GLORY. It is also requested that the same members shall ordinarily collaborate in the participation of risk management activities

- **Responsible procurement activity self-checklist**

We have created JEITA (Japan Electronics and Information Technology Industries Association) Responsible Corporate Behavior Guidelines and "Responsible Procurement Activity Self-Checklist" with reference to the requirements of the Responsible Business Alliance (RBA, formerly EICC). We are asking for the cooperation to all business partners to fill in the survey requested to check the status of activities.

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※ It is created in accordance with the "Responsible Corporate Behavior Guidelines" established by JEITA (Japan Electronics and Information Technology Industries Association) in March 2020.

III. Code of Conduct for Responsible Procurement Activities

1. Compliance with Laws and Respect for International Norms

Companies must not only comply with applicable laws and regulations of their own country and the country/region in which they do business, but also respect the International Code of Conduct.

In recent years, various laws and regulations and policies related to the environment, human rights, and bribery have been enacted and introduced in each country. Companies need to understand and comply with these. Some laws and regulations may apply not only in your own country but also outside the region. In addition, with the globalization of the supply chain and market, it is required to comply with laws and regulations not only within the company but also through the supply chain and to respect the international code of conduct.

2. Human Rights and Labor

Companies must not only comply with relevant laws and regulations, but also refer to international human rights standards, including the ILO's core labor standards, and respect the human rights of workers.

"Worker" means a person who works regardless of all employment / working styles, including permanent employees, temporary workers, immigrant workers, students, contract employees, direct employees and other working style workers. International human rights standards to be referred to include the United Nations Universal Declaration of Human Rights, the International Covenant on Human Rights, and the ILO's Core Labor Standards.

(2-1) Prohibition of compulsory labor

Companies may not use the labor force obtained by coercion, detention, inhumane prison labor, slavery or trafficking. Companies also need to protect the right of workers to leave their jobs or terminate their employment without forcing them to work.

[Explanation of norms]

We prohibit the transfer, concealment, recruitment, transfer or acceptance of people by intimidation, coercion, abduction or fraud. At the same time, exploiting employment fees from workers can also lead to forced labor. It is also prohibited to use the fee as a debt for forced labor. Particularly, there have been many reports of forced labor by migrant workers, including foreign workers. When hiring a foreign worker, you must provide an employment contract in a language that the worker can understand before the worker leaves his or her home country. Actions that lead to forced labor includes concealing government-issued ID cards, passport visas, work permits or immigration applications (unless required by law to be held by non-workers) from workers, preventing the person's use by means such as confiscation and imposing unreasonable restrictions on workers entering and exiting the facility and moving within the facility.

(2-2) Prohibition of child labor, consideration for young workers

Companies must not allow children under the minimum working age to work. In addition, companies must not engage young workers under the age of 18 in dangerous work that may compromise their health or safety, such as night shifts or overtime.

[Explanation of norms]

Child labor is prohibited in all cases by the ILO and national legislation. Among child labor, the "worst form of child labor" requires urgent and immediate action. The ILO Convention No. 182 (1999) defines the following four as applicable:

- Slavery or similar practices
- Use, mediate, or provide children for prostitution, pornography, or use children for obscene performances, mediate or provide children for fraudulent activities, especially drugs production and trading, work that has properties that may impair the health, safety or morals of the child, or work that is performed under such circumstances.

Workers under the age of 18 (including students) should be guaranteed satisfactory working conditions, especially the following benefits established in ILO Recommendation No. 146 (minimum age).

- Fair remuneration based on the principle of "equal pay for work of equal value"
- Strict restrictions on working hours per week and day, including prohibition of overtime to ensure sufficient time for education, training, breaks and leisure activities
- Minimum 12 hours of continuous nighttime breaks and weekly breaks
- Annual paid leave of at least 4 weeks and not shorter than what is allowed for adults in each case
- Participation in a social security system that guarantees occupational accidents, health support and various illness allowances
- Safety rules, good health, and proper education and supervision

Also, due diligence is required to protect their rights.

(2-3) Consideration for working hours

Companies must not allow workers to work beyond the limits set by the laws and regulations of the area where they work and must properly manage the working hours and holidays of workers in consideration of international standards.

[Background]

Numerous studies of business practices have shown that worker's overwork is clearly linked to reduced productivity, increased turnover, increased injury and illness.

[Explanation of norms]

Based on the laws and regulations of each country, we will appropriately grant working hours, holidays, and breaks. It also considers international standards. For example, under one of the international standards ILO Convention No. 1 (1919) and Convention No. 30 (1930) weekly working hours include overtime hours, except in emergencies must not exceed 48 hours (not ratified by Japan). In addition, ILO Conventions 14 (1921) and 106 (1957) provide for a minimum of one (24 hours or more) day off every seven days (no more than six consecutive days). (Not ratified by Japan). Although ILO Conventions 1 and 30 are important treaties, they are not always in line with today's situation. On the other hand, the No. 116 Recommendation (1963) has been issued as a social standard to achieve the No. 47 Convention 1947, which stipulates the principle of working 40 hours a week (not ratified by Japan). In addition, some industry standards set a maximum working hours of 60 hours per week, including overtime.

(2-4) Appropriate wages and allowances

Companies must comply with all applicable laws and regulations on compensation paid to workers, including minimum wages, overtime pay, and legally required allowances and wage deductions. In addition, it is desirable to consider the payment of wages (living wages) that can cover what is necessary for daily life.

[Explanation of norms]

The minimum wage refers to the minimum wage stipulated by wage-related laws and regulations in the country of residence and the employer must pay a wage equal to or higher than the minimum wage.

In addition to the statutory minimum wage, it is desirable to consider the "living wage", which is calculated as the wage necessary to maintain the minimum standard of living, as a voluntary initiative of companies. Unjustified wage deductions may be considered unpaid wages. For example, the international Standard SA8000 on labor and human rights must ensure that salary reductions are not made for disciplinary purposes, except for

(1) if disciplinary action is permitted by domestic law. Disciplinary action reductions are permissible.

In addition, overtime compensation must be paid to workers at a higher wage rate than normal hourly wages, in accordance with local regulations.

When paying compensation, you must also provide a pay slip with information that confirms that the payment is correct.

(2-5) Prohibition of inhumane treatment

Companies respect the human rights of workers and must not engage in inhumane treatment, such as mental or physical abuse, coercion, harassment, or any potentially acts as such. You also need to have equipment to store your personal belongings and valuables, and enough personal space to get in and out properly.

[Explanation of norms]

In parallel to formulating disciplinary policies and response procedures, it is necessary to establish an internal reporting system (complaints handling mechanism) in order to grasp the facts of inhumane treatment and to inform and operate it to workers. It is explained separately in Section (3-7) to ensure an appropriate living environment for workers is necessary from both the human rights and health and safety aspects of workers.

(2-6) Prohibition of discrimination

Companies must not discriminate or harass. In addition, it is necessary to give due consideration to the requests of workers regarding religious customs.

[Explanation of norms]

There should be no acts that could lead to discrimination based on wages, promotions, rewards, education, recruitment and employment practices, race, skin color, age, gender, sexual orientation, gender identity and sexual expression, ethnicity or nationality, disability, pregnancy, religion, political party, political views, membership, military service experience, protected genetic information, or marital status.

It is a discriminatory act if a health examination or pregnancy test impairs equal opportunity or fairness in treatment. There are many different causes of discrimination.

- Race and skin color: Discrimination on the grounds of belonging to a specific ethnic group, targeting ethnic minorities, indigenous peoples, tribal people, etc.
- Gender: Due to biological characteristics, functions, and social differences between men and women. This includes discrimination based on marital status, unmarried status, spouse relationship, family structure, and motherhood.
- Religion: Discrimination on the grounds of being a believer in a religion or expressing religious beliefs. Discriminatory treatment against atheists is also included.

- Political views: Discrimination on the grounds of policy views, affiliation with a political party, political or socio-political attitude, civic activity or moral qualities.
- National origin: Discrimination on the grounds of place of birth, family lineage, or foreign origin. Targets include national or linguistic minorities, naturalized people, and descendants of foreign immigrants.
- Social origin: Discrimination on the grounds of social class, socio-occupational type, or caste. Social origin can affect a person's career.

The principle of prohibition of discrimination regarding employment and occupation includes the principle of equal pay for men and women who work of equal value is included.

According to ILO Convention No. 100 (Convention on Equal Compensation for Male and Female Workers for Equal Work), this principle is based on the principle that employers pay workers such as salaries, regular wages and other basic expenses. This applies to all remuneration paid directly or indirectly by the employer to the worker in cash or in kind because of his employment (from Convention No. 100). In order to objectively judge the value of a work, it is necessary to take into account factors such as work components, responsibilities, skills, efforts, working conditions and key outcomes. There is also discrimination on the grounds of age, disability, health status (especially HIV / AIDS), trade union membership, and sexual orientation.

(2-7) Freedom of association, collective bargaining rights

Companies must comply with local laws and regulations and respect the right of workers to organize as a means of achieving labor-management consultations such as the working environment and wage levels.

[Explanation of norms]

You must respect the rights of all workers to form and join a union of your choice, as well as the rights of workers who do not participate in or withhold such activities. In addition, workers or their representatives shall be able to conduct collective bargain publicly with management on opinions and concerns regarding working conditions and practices without fear of discrimination, retaliation, intimidation or harassment.

3. Occupational Health and Safety

In addition to complying with relevant laws and regulations, companies need to pay attention to the ILO's safety and health guidelines, etc., and will work to minimize injuries and physical and mental illnesses associated with the work of workers and to create a safe and hygienic work environment.

[Explanation of norms]

In addition to minimizing work injuries and illnesses, we recognize that a safe and hygienic work cycle improves product and service quality, manufacturing consistency, and worker retention and motivation. In addition, hearing from workers and educating workers is essential for companies to identify and resolve occupational health and safety issues. ILO Occupational Safety and Health Management System Guidelines (ILO-OSH2001), OHSAS18001, A recognized management system such as ISO 45001 is responsible for formulating this Code. It is referenced and may provide useful additional information.

(3-1) Occupational safety

Companies identify and assess risks to occupational safety, as well as appropriate design and technology. It is necessary to ensure safety with management measures. Reasonable consideration is needed, especially for pregnant women and mothers during lactation.

[Explanation of norms]

It is necessary to identify dangers in the workplace, including the possibility of occurrence, and implement safety countermeasures for workers. Examples of workplace hazards include human contact with chemicals, electricity and other energy sources, fires, vehicle accidents, and falling. For example, the following are applicable to safety countermeasures. It is necessary to promote these as a mechanism.

- Identification and evaluation of danger including the possibility of occurrence
- Appropriate work site design considering risk elimination and preventive maintenance
- Safety awareness activities (including handling of personal protective equipment)

In addition, it is necessary to protect pregnant women and lactating mothers from dangerous conditions and to provide reasonable convenience.

(3-2) Preparing for emergencies

In preparation for emergencies such as disasters and accidents that impair human life and physical safety, companies identify the possibility of occurrence and create action procedures for emergency countermeasures that minimize damage to workers

and assets. It is necessary to install necessary equipment and provide education and training so that they can take action in the event of a disaster.

[Explanation of norms]

The examples of emergency countermeasures include emergency reporting, notification to workers, evacuation method clarification, evacuation facility installation, easy-to-understand, obstacle-free exits, appropriate exit equipment, stocking of emergency medical supplies, and fire detection, installation of systems, the installation of fire extinguishers, fire doors and sprinklers, the securing of external communication means and the development of restoration plans. It is also necessary to thoroughly inform the workplace. Example includes conducting emergency response education (including evacuation drills) for workers and storing and posting emergency response procedure manuals in easily accessible places in the workplace.

(3-3) Occupational accidents and illnesses

Companies need to identify, assess, record and report the status of occupational accidents and illnesses and take appropriate countermeasures and corrective actions.

[Explanation of norms]

Occupational accidents and illnesses that occur to workers are recorded, necessary treatments are provided, and corrective actions are taken, including investigation of accidents, identification and elimination of causes, implementation of preventive countermeasures, management and reporting. is needed.

It is also necessary to report on the provisions and their implementation to encourage workers to return to work.

(3-4) Industrial hygiene

Companies need to identify and assess the risk of workers being exposed to harmful biological, chemical and physical effects in the workplace and manage them appropriately.

[Explanation of norms]

Potential hazards need to be eliminated or controlled by proper design, engineering and operational management. If such means do not allow proper management of the hazard, workers will needed to be provided with appropriate personal protective equipment that is properly maintained and managed and will be used correctly.

(3-5) Consideration for work that requires physical load

It is necessary for companies to identify and evaluate work that is physically burdensome and deal with occupational accidents or illnesses to manage it properly so that it will not be linked.

(3-6) Safety countermeasures for mechanical equipment

Companies need to assess the machinery and equipment that workers use for business and appropriate safety countermeasures are needed to be taken.

(3-7) Facility safety and health

Facility health and safety Companies need to properly ensure the safety and health of facilities (dormitories, dining rooms, restrooms, etc.) provided for the lives of workers.

[Explanation of norms]

To ensure safety and health, it is necessary to maintain the cleanliness and hygiene of the facility and pay attention to the following points.

- Drinking water: Water quality inspection in compliance with laws and regulations, safe drinking water (water server, etc.)
- Providing hygienic meals: Cook's clothing / health checkup, pest control, proper temperature control of food, certificate of cafeteria business, etc.
- Restroom: Sufficient number of clean restroom facilities for the number of people, providing of toilet paper, etc.
- Dormitory: Fire protection, emergency evacuation route (exit), safe storage facility for personal belongings (locker with key provided), sufficient room size (standard is 3.3 m² or more per person), ventilation, temperature control, appropriate lighting etc.

(3-8) Health and safety communication

Companies need to provide appropriate health and safety information education and training in a language and method that workers can understand about various occupational dangers that workers may face. We also need a mechanism to get a feedback safety-related opinions from workers.

[Explanation of norms]

Appropriate workplace safety and health information and education on all identified workplace hazards (including but not limited to mechanical, electrical, chemical, fire, and physical hazards) that workers will be exposed to should be provided. Health and safety information shall be clearly posted within the facility or placed in a location that is specific

and accessible to workers. It should also be provided in a language that workers can understand. Education and training should be provided to all workers on a regular basis prior to the start of work. Workers are also encouraged to raise safety concerns. Education and training items include proper use of personal protective equipment, emergency response, safe operation of machinery, preparation before entering a harmful environment, etc. Section 43 of the ILO Multinational Corporation Declaration is based on labor-management dialogue. There is a description about fostering a preventive culture.

(3-9) Workers' health management

Companies need to provide proper health care to all employees.

[Explanation of norms]

Appropriate health management means conducting health examinations, etc., at least at the level stipulated by law, to prevent and detect illnesses of employees at an early stage. At the same time, it is necessary to give due consideration to the prevention of health problems due to overwork and care such as mental health.

4. Environment

Companies are proactively tackling global environmental issues such as resource depletion, climate change, and environmental pollution, as well as local environmental issues that take into consideration ensuring the health and safety of the people involved.

[Explanation of norms]

Responsibility for environmental consideration refers to ensuring the health and safety of not only workers but also the people in the community concerned, and to promote measures to minimize adverse effects on the local community, environment and natural resources. Recognized management systems such as ISO14001 is referenced in the development of this Standard, which may provide useful additional information.

(4-1) Environmental permit and report

Companies are required to obtain the necessary permits and approvals for their business and to register and report in accordance with the laws and regulations of the location of their business.

[Explanation of norms]

For example in the case of Japan, the Waste Management Law (specially controlled industrial waste management manager), Energy Saving Law (Energy above a certain level, Energy managers at factories that use them), Air Pollution Control Act (pollution control managers at factories that emit chemical substances, dust, and soot) and so on have an obligation to set up a manager who has acquired a certain qualification is stipulated by law. In addition, depending on the chemical substances used in the business, it is obligatory to appoint a person in charge of poison/deleterious substance management, specific chemical substance management, dangerous substance management, etc.

Depending on the business content and factory location, administrative approval may be required for environmental impact assessment and hazardous materials handling facilities

(4-2) Reduction of energy consumption and greenhouse gas emissions

Companies need to work to improve energy efficiency and work to continuously reduce energy consumption and greenhouse gas emissions.

[Explanation of norms]

Improving energy efficiency means minimizing energy consumption and associated scope 1 and scope 2 greenhouse gases (GHG), which need to be tracked and documented on a per facility or business basis.

(4-3) Emission to the atmosphere

Companies must comply with relevant legislation and take appropriate countermeasures to reduce the emission of harmful substances into the atmosphere.

[Explanation of norms]

Harmful substances released into the atmosphere include volatile organic compounds, aerosols, corrosive substances, fine particles, ozone-depleting substances, and combustion by-products. These substances are of the content prior to their discharge.

We strive for analysis and monitoring, and based on the results, we take necessary controls and measures before discharging. Countermeasures also include the handling of discharged substances and regular monitoring of the performance of the treatment system.

(4-4) Water management

Companies need to comply with laws and regulations, monitor the sources, uses and emissions of water they use and save water. All wastewater must be characterized, monitored, controlled and treated as needed before being discharged or disposed of. In addition, it is necessary to identify the sources of pollution that can cause water pollution and take appropriate management.

[Explanation of norms]

Water management requires monitoring water sources, uses and emissions, conserving water and controlling pollution routes. Contamination route management includes clean water channels on the premises, protection from pollution (e.g., No stagnant water or oil pools near rainwater drains) and emergency response equipment (e.g., Refers to shut-off valves and water stopcocks to stop the leakage and outflow of clean water and sewage due to factory disasters and natural disasters) and so on.

(4-5) Effective use of resources and wastewater management

Companies comply with laws and regulations and manage appropriately to reduce, it is necessary to promote reuse, recycling make effective use of resources and minimize the generation of waste.

[Explanation of norms]

Even for the disposal of substances for which no hazard has been identified, it is necessary to implement a systematic approach to identify and manage the waste and to carry out responsible disposal or recycling and strive to reduce it. Material disposal should be done in compliance with the laws and regulations of the location of the business and minimized to avoid wasting natural resources.

Means to do this include changing production equipment at the source, substituting materials, reusing resources, recycling, etc. To comply with laws and regulations, we will voluntarily set goals and act on it. Natural resources include water, fossil fuels, minerals, primeval forests and products of primeval forests. Prevention of environmental pollution leads to the saving of natural resources and is closely related to the sustainability of the earth.

(4-6) Chemical substance management

Companies comply with laws and regulations, identify, label, and control chemicals and other substances that pose a danger to the human body and the environment, and handle, move, store, use, recycle, or reuse them safely. Also, needs to be managed to ensure that disposal is carried out.

[Explanation of norms]

For example in Japan, it is necessary to manage in accordance with the Chemical Substances Control Law, the Poisonous and Deleterious Substances Control Law, the Industrial Safety and Health Law, the Fire Service Law, and the PRTR. It is also necessary to consider chemical substance management in the manufacturing process.

(4-7) Management of chemical substances contained in products

Companies are subject to bans or restrictions on certain substances contained in their products, it's a must to comply with all laws and regulations and customer requirements.

[Explanation of norms]

It is also necessary to consider the customer's request, regarding the substances contained in the product.

- Comply with the laws and regulations of the country to which the product is destined.

- In the final product, you must also be responsible for the parts that are incorporated into the product.

Therefore, the upstream company needs to provide the downstream company with the necessary information. For example, when exporting to the EU, the relevant laws and regulations include the RoHS Directive and the REACH Regulation. For example, when exporting to the EU, the relevant laws and regulations include the RoHS Directive and the REACH Regulation.

5.Fair Trade and Ethics

Companies need to carry out business activities not only in compliance with laws and regulations but also in accordance with a high level of ethics.

[Explanation of norms]

It is necessary to comply with the laws and regulations of not only Japan but also the countries in which we do business with. In addition, management must become the norm, all employees must carry out their business with high ethical standards and earn the trust of all stakeholders.

(5-1) Anti-corruption

Companies must not engage in any kind of bribery, corruption, extortion and embezzlement.

[Explanation of norms]

We must continue to comply with our policy of prohibiting bribery, excessive gifts, entertainment, corruption, extortion, and embezzlement.

For continuous compliance, it is necessary not only to formulate a policy, but also to provide appropriate education and training to employees and to continue to thoroughly enforce the policy.

(5-2) Prohibition of improper provision and receipt of profits

Companies may not offer or accept bribes or other promises, offers or permits as a means of obtaining unjust or improper profits.

[Explanation of norms]

It is prohibited from giving or receiving anything of value directly or indirectly, including any promises or offers to win a business or obtain improper profits. To comply with anti-corruption laws and regulations, it is necessary to clarify policies and procedures and implement monitoring.

(5-3) Appropriate information disclosure

Companies comply with applicable laws and regulations and industry practices, labor, health and safety, environmental activities and we need to disclose information about our business activities, organizational structure, financial position and performance. No falsification of records or false disclosure of information is tolerated.

[Explanation of norms]

Companies need to proactively provide and disclose information to stakeholders. Providing information/disclosure to stakeholders includes business activity content, financial status, business performance, ESG (Environment, Society, Governance) information, risk information (e.g., Damage caused by large-scale disasters, occurrence of adverse effects on the environment and society, discovery of violations of laws and regulations), information on the supply chain and so on. In addition to disclosing important risk information each time, disseminating it to customers is also an example of providing information proactively. For such information, falsification of records, false display, and false information disclosure are not permitted.

(5-4) Respect for intellectual property

Companies must respect intellectual property rights and transfer technology and know-how in a manner that protects their intellectual property. Also, the intellectual property of third parties such as customers and suppliers must be protected.

[Explanation of norms]

Intellectual property protection includes not only our company but also third parties such as customers and suppliers.

(5-5) Fair business execution

Companies need to do fair business, competition and advertising.

[Explanation of norms]

Companies shall comply with laws and regulations regarding fair trade, including fair competition and the Subcontract Act, and shall not engage in illegal acts such as competitively restrictive agreements such as cartels, unfair trading methods, or misrepresentation. We also need to eliminate forces that threaten the order and safety of civil society and comply with laws, ordinances and all other social norms. We do not use expressions that are not true or mislead consumers or customers in the display and

advertising of catalogs related to products and services and we do not use content such as defamation or infringement of rights of other companies or individuals.

(5-6) Protection of whistleblower

The company must protect the confidentiality of the information related to the report and the anonymity of the whistleblower and eliminate retaliation against the whistleblower.

[Explanation of norms]

In the structure of the complaint handling mechanism that can be used by the company and related parties including the employees of the supplier, the confidentiality of the content of the report such as the supplier or employee who made the report and the anonymity of the reporter are ensured and the report is made. They must be protected from being treated unfavorably by companies or individuals for making a report.

(5-7) Responsible mineral procurement

Minerals such as tantalum, tin, tungsten, and gold in the products being manufactured cause or contribute to serious human rights violations, environmental destruction, corruption, conflicts, etc. in conflict and high-risk areas and due diligence is needed to be carried out by a company to verify the involvement.

[Explanation of norms]

Due diligence on responsible mineral procurement is to develop a policy, communicate your expectations to the supplier (include it in the contract if possible) and it refers to identifying and assessing supply chain risks and developing and implementing strategies to address the identified risks. Regarding due diligence for responsible mineral procurement, the internationally recognized "Due Diligence Guidance for Responsible Supply Chain of Minerals from OECD Conflict and High-Risk Areas" provides the following five steps:

Step1: Build a strong management system

Step2: Identifying and assessing risks in the supply chain

Step3: Strategic planning and execution to address the identified risks

Step4: Conducting an independent third-party audit of the due diligence of the smelter/refiner

Step5: Annual Report on Supply Chain Due Diligence

Related laws and regulations include US Dodd Frank Wall Street Reform and Consumer Protection Act Article 1502, and the European Commission Conflict Minerals Regulations.

6. Product Quality and Safety

Companies need to ensure the safety and quality of the products and services they provide and provide accurate information.

[Explanation of norms]

The safety, quality, and accurate information of products and services can have a tremendous impact not only on customers but also on various stakeholders throughout the supply chain. Recognized management systems such as ISO9001 are referenced in the development of this Standard, which may provide useful additional information.

(6-1) Ensuring product safety

Companies ensure that their products meet the safety standards stipulated by the laws and regulations of each country and that they have sufficient product safety. It is necessary to carry out reliable design, manufacturing and sales, and fulfill our responsibilities as a supplier.

[Explanation of norms]

Upon designing a product, design to ensure sufficient product safety and to sell it by considering the responsibility as a manufacturer. In addition, regarding product safety, it is necessary to consider not only legal compliance but also safety that should normally be taken into consideration.

Laws and regulations related to product safety include the Electrical Appliance and Material Safety Law, Consumer Product Safety Law, and Household Goods Quality Labeling Law in the case of Japan. Safety standards are stipulated by detailed regulations of laws and regulations, JIS, etc. In addition, there are UL, BSI, CSA, etc. as overseas safety standards. To ensure product safety, it is useful to manage traceability (history of materials, parts, processes, etc.) and take prompt action to solve problems.

(6-2) Quality control

Companies must not only comply with all applicable laws and regulations regarding the quality of products and services, but also comply with their own quality standards and customer requirements.

[Explanation of norms]

Companies need to not only comply with all applicable laws and regulations regarding the quality of products and services, but also establish appropriate mechanisms and management systems to comply with their own quality standards and customer requirements.

(6-3) Providing accurate product and service information

Companies need to provide accurate and non-misunderstanding information about their products and services.

[Explanation of norms]

Companies need to provide customers and consumers with accurate, non-misunderstanding information about their products and services. Do not provide false or tampered information.

7. Information Security

Companies need to prevent the leakage of confidential and personal information and strengthen information security.

[Explanation of norms]

With the development of the advanced information and communication society in recent years, information management is becoming more and more important. Inadequate information management such as leakage of confidential information and personal information can have a tremendous impact not only on the company and customers but also on various stakeholders including the supply chain. Recognized management systems, such as ISO27001, are referenced in the development of this Standard and may provide useful additional information.

(7-1) Defense against cyber attacks

Companies need to take protective measures against threats such as cyber attacks and manage them so that it does not cause damage to your company or others.

[Explanation of norms]

Companies need to prevent troubles such as information leakage and falsification due to cyber attacks and information system outages. The attacker can target the attack from the obtained customer information and business partner's information.

The damage is not limited to the company because it may spread. The devices that have become the target of cyber attacks are not only conventional PCs and servers, but also industrial systems and IoT. It is spreading to devices called (Internet of Things), and it is necessary to take measures for such devices as well. It is also important to have a plan for quick recovery in the event of a cyber attack. Example for countermeasures include, backing up important data and duplicating servers and data centers.

(7-2) Protection of personal information

Companies must comply with relevant laws and regulations and properly manage and protect all personal information such as suppliers, customers, consumers and employees.

[Explanation of norms]

Personal information about suppliers, customers, consumers, employees, etc. must be handled with caution, in compliance with relevant laws and regulations of each country. To

the extent necessary to achieve the specified purpose of use, personal information must be collected, stored, modified, transferred, shared and otherwise processed.

(7-3) Prevention for leakage of confidential information

Companies need to properly manage and protect confidential information received not only from their company but also from customers and third parties.

[Explanation of norms]

Companies need to build appropriate mechanisms and management systems to manage confidential information received from their company and third parties. This includes setting information management levels and employee's education and training.

8. Business Continuity Plan

Companies need to be prepared to resume production activities as soon as possible in order for them to fulfill their supply responsibilities in the event that they or their business partners are damaged by a large-scale natural disaster.

[Explanation of norms]

Large-scale natural disasters such as earthquakes and typhoons, terrorism / riots, infectious diseases, accidents, etc. may have a significant impact on business continuity. Companies need to be prepared for this situation, resume production activities as soon as possible and minimize their impact on the supply chain.

Recognized management systems, such as ISO22301, are referenced in the development of this Standard and may provide useful additional information.

(8-1) Formulation and preparation of business continuity plan

Companies are required to identify and evaluate risks that impede business continuity, carefully examine the impact on the business, take necessary proactive measures in the medium to long term and formulate a business continuity plan (BCP) that summarizes the status of their initiatives.

[Explanation of norms]

Risks that impede business continuity include large-scale natural disasters (e.g., earthquakes, tsunamis (tidal wave), floods, heavy rains, heavy snowfalls, tornadoes) and associated power outages, water outages, traffic obstacles, accidents (e.g., fires, explosions), widespread infectious diseases, terrorism and riots etc.

Necessary proactive countermeasures require a local recovery strategy of how to protect, mitigate, and recover the individual elements of the production site for possible damage. It is also important to try to secure alternative means that are supposed to be done for prolonged recovery caused by damage.

Follow the manual for early recovery of the business according to the contents described in the BCP when the business actually stops.

IV. Building a management system to promote responsible procurement activities

A. Building management system

Companies need to build a management system to achieve compliance with the Part 1 Code of Conduct.

[Explanation of norms]

The following are points to keep in mind when building a management system to achieve each item of the Part 1 Code of Conduct.

- If you are in compliance with laws and regulations and customer requirements related to business and products
- If it matches the contents described in this guideline
- If you are identifying and mitigating risks related to the content described in this guideline
- If we expect continuous improvement from these

B. Supplier management

Companies need to establish a process to communicate the requirements of the Part 1 Code of Conduct to their suppliers and monitor their compliance with the Code of Conduct.

[Explanation of norms]

The United Nations Guiding Principles on Business and Human Rights and OECD guidelines require companies to take the same responsibility not only for themselves but also, for their supply chain CSR response. Therefore, communicate the requirements of Part 1 Code of Conduct to the supplier and check the status of compliance. It needs to be monitored and encouraged to improve.

In managing the supply chain, Chapter 2 of the "ILO/Tokyo2020 International Labor Standards and Sustainable Procurement Handbook" will be helpful. In the handbook, especially labor regarding human rights aspects, to promote the implementation of sustainable supply chain management in line with international labor standards, it specifically shows the methods of the supply chain management process, points to note in each process, and recommendations.

- Supply chain management system (such as the preparedness of the person in charge)
- Implementation process of human rights, labor due diligence for new suppliers, etc.
Preliminary investigation → On-site confirmation process → Agreement on action plan

→ Contract conclusion and monitoring

- Evaluation of human rights and labor risks
Examples of risk indicators / factors and questions to suppliers
- Dialogue and communication with suppliers

Contents of discussion and method in the dialogue process, interviewees and techniques

- Confirmation of on-site occupational safety and health
- Approach to third parties regarding labor issues
Points of dialogue with labor unions, employers' organizations, NGOs, etc., sources of information, etc.

C. Appropriate import/export control

Companies need to establish a clear control system and carry out appropriate import /export procedures regarding the import/export of technologies and goods regulated by laws and regulations.

[Explanation of norms]

Regarding imports and exports, there are various laws and regulations in each country, and it is necessary to understand and comply with them. Technologies and goods regulated by laws and regulations are parts, products, technologies, equipment, and software that are subject to import / export under laws and regulations based on international agreements (Wassenaar Arrangement, etc.).

For imports and exports, it may be necessary to obtain a permit from the regulatory agency.

D. Maintenance of complaint process mechanism

Companies can work with workers to prevent fraudulent activity in their own and in the supply chain. We need to build a complaint process mechanism that can be used by stakeholders, including suppliers.

[Explanation of norms]

In addition to due diligence to comply with the Part 1 of Code of Conduct, it's important to establish a complaint process mechanism from stakeholders, including workers and suppliers and enable them to address issues as an ongoing process. In order for the complaint process mechanism to function effectively, it's also useful to conduct an awareness survey to confirm understanding and participate in continuous improvement through proposals.

E. Disclosure of the status of initiative

Companies are required to address this guideline and disclose information in accordance with relevant laws and regulations.

[Explanation of norms]

Companies are required not only to disclose information as stipulated by laws and regulations, but also to disclose information to stakeholders, including customers, regarding their initiatives toward this code of conduct.

Medium for information disclosure include CSR reports and sustainability reports through our website and print medium.

Reference guidelines include the GRI Standard and the Ministry of the Environment's Environmental Reporting Guidelines.