

Nippon Kayaku Group
Sustainable Procurement Guidebook
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Nippon Kayaku Group

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1. Nippon Kayaku Group Policy

A. Nippon Kayaku Group's corporate policy

A-1. Nippon Kayaku Group Corporate Vision (KAYAKU spirit)

Continuously providing society with the best products through ceaseless progress and the combined forces of our consciences.

A-2. Nippon Kayaku Group Charter of Conduct and Code of Conduct

Nippon Kayaku Group Charter of Conduct

Business activities

1. The Nippon Kayaku Group will provide products and services that satisfy customers through Communication with customers and the provision of appropriate information, giving due consideration to the safety and reliability of its products and services.
2. In all its business activities, the Nippon Kayaku Group will comply with all relevant laws and regulations, including competition law, the spirit of these laws, and internal regulations, and will engage in fair, transparent, and free competition. We will also maintain sound relationships with the governing authorities in all regions.
3. The Nippon Kayaku Group respects human rights in all its business activities, and will not discriminate or tolerate any inappropriately behavior for reasons based on gender, age, nationality, race, religion, or disability.
4. The Nippon Kayaku Group will appropriately manage and utilize the company's assets to improve the efficiency of its business activities and strive for continuous development.
5. The Nippon Kayaku Group implements systematic crisis management in preparation for the actions of anti-social forces that threaten the lives of citizens and corporate activities, as well as for terrorism, cyber attacks, natural disasters, and other events.

Relationship with society

6. The Nippon Kayaku Group respects the cultures, religions and traditions of each country and region, works in harmony with society, and contributes to the development of society as a good corporate citizen.
7. The Nippon Kayaku Group will disclose information on its business activities to stakeholders in a timely and appropriate manner based on objective facts. We will

also strive to increase corporate value through constructive dialogue with stakeholders.

8. In order to contribute to a sustainable society and the environment, the Nippon Kayaku Group strives to conduct its business activities in harmony with the natural environment by constantly taking into account the impact on the global environment, not only complying with relevant laws and regulations, but also establishing its own voluntary standards.

Information handling

9. The Nippon Kayaku Group will appropriately protect the information it possesses through its business activities and take all possible measures for information management. In addition, we recognize the value of information assets and respect the intellectual property rights of others.

Relationships between the company and individuals

10. The Nippon Kayaku Group complies with labor-related laws and regulations, ensures a safe and comfortable working environment, and respects the basic human rights, diversity, character, and individuality of individuals.

Roles of top management and thorough adherence to this charter

11. Those involved in the management of the Nippon Kayaku Group recognize that realizing the spirit of this charter is their own role and responsibility, and will thoroughly disseminate it to all employees. In addition, we will listen to the opinions of people inside and outside the group, establish effective systems within the group, and ensure thorough implementation of corporate ethics. In the event of a situation that contravenes the spirit of this charter, we will clarify both inside and outside the company our stance of solving the problem, investigate the cause, and work to prevent any recurrence.

Nippon Kayaku Group Code of Conduct

Chapter 1: Code of Conduct for business activities

1. Safety and quality of products

We are all responsible for producing quality products and striving for continuous improvement to satisfy our customers' needs and scientific data.

2. Provision of product information

We will provide accurate and proactive information to ensure that our customers

and business partners are able to use and handle our products properly.

3. Fair, impartial transactions

We will conduct fair and impartial transactions with all our customers and business partners in accordance with the Competition Law and other relevant laws and regulations.

4. Prohibition of exchanging excessive gifts or entertainment

We will comply with all laws and regulations when exchanging gifts or entertainment in connection with transactions, and will be prudent in light of sound business practices and social conventions. Build sound relationships with the government and prevent corrupt practices such as bribery.

5. Respect for human rights

We respect internationally recognized human rights and recognize and respect diversity, including gender, age, nationality, race, religion, disability, ethnicity, skin coloring, culture, philosophy, beliefs, political views, and gender orientation.

6. Prohibition of conflicts of interest

We will not pursue personal interests and will not engage in activities that conflict with the interests of the Company by utilizing our position in the job or information acquired in the course of our business.

7. Appropriate protection and effective utilization of corporate assets

We will strive to enhance our corporate value by appropriately protecting and effectively utilizing our corporate assets, including intellectual property.

8. Proactive efforts to improve operations

We are strongly responsible for our operations, constantly strive for self-improvement and self-charge, and business to improve our operations.

9. Exclusion of anti-social forces

In the event that an anti-social force requests the provision of profits, we will take a firm stance in cooperation with relevant organizations and will not respond to unfair demands.

10. Thorough crisis response

We are committed to safe operations. In the event of an accident, disaster, or terrorist attack, or a cyber attack, we will promptly provide and report information to relevant parties in accordance with established rules and take necessary measures in accordance with the functioning of the response organization.

Chapter 2: Code of Conduct for relationship with society

11. Respect for cultures, religions, traditions, etc. in each country and region

We will comply with the relevant laws and regulations of each country and region in our business activities, and respect international norms, culture, religions, traditions, etc.

12. Good corporate citizenship

We participate in and support volunteer and social welfare activities and make social contributions through our business activities.

13. Interaction with local communities

As a member of local communities, we will actively participate in local organizations and events and deepen exchanges with local people.

14. Timely and appropriate information disclosure

We actively disclose corporate information, such as management policies, financial and non-financial data, to the stakeholders* in accordance with internal procedures.

15. Coexistence with the environment

In order to maintain a prosperous and healthy society in harmony with the natural environment, we will assess the impact on the environment, actively implement measures against climate change, including resource and energy conservation, and strive for technological development.

16. Environmental protection initiatives

We will comply with all relevant laws, regulations, agreements, and internal regulations at all stages of our business operations in order to protect the environment.

Chapter 3: Code of Conduct for information handling

17. Protection of corporate information

We will appropriately manage our tangible and intangible assets and protect them based on Charter of Conduct. We will not disclose or use information beyond the scope required for business operations.

18. Protecting personal information

Recognizing the importance of personal information, we will acquire, use, and manage personal information handled by the Company in an appropriate manner, complying with laws and regulations related to personal information as well as in-house regulations.

19. Appropriate use of information systems

We will properly and effectively use corporate information equipment such as personal computers, information systems, and network systems, and will not use them for improper purposes.

20. Prohibition of insider trading

We will not use undisclosed information from the Nippon Kayaku Group or other companies to trade securities such as stocks.

21. Respect for the rights of others

We will respect the intellectual property rights of others. In addition, information obtained through improper means will not be used.

Chapter 4: Code of Conduct for relationships between the company and individuals

22. Maintenance of working environment

We will comply with labor-related laws and regulations, labor safety and health laws, labor agreements, and internal regulations, and ensure a safe, clean, bright, and energetic working environment. We will also promote a work-life balance by creating an environment where employees can perform their duties creatively and efficiently.

23. Prohibition of harassment

We will not engage in activities that hinder the realization of a healthy working environment, such as sexual harassment and power harassment.

A-3. Nippon Kayaku Group Human Rights Policy

The Nippon Kayaku Group recognizes its responsibility to protect the human rights of all people affected by its business activities.

To that end, the Nippon Kayaku Group hereby establishes the Nippon Kayaku Group Human Rights Policy (the "Policy") based on the United Nations Guiding Principles on Business and Human Rights, with the purpose of promoting initiatives to ensure respect for human rights throughout the Group.

The Nippon Kayaku Group aims to meet the expectations of its stakeholders and contribute to society through its business operations as part of its corporate vision, the **KAYAKU spirit**. As a standard of conduct to realize the **KAYAKU spirit**, the Nippon Kayaku Group has established the Nippon Kayaku Group Charter of Conduct and Code of Conduct. In all of its corporate activities, the Group respects fundamental human rights, complies with laws and regulations, engages in fair business activities, and seeks to repay the trust placed in by its stakeholders by providing happiness and delight.

1. Basic policy on human rights

This Policy is a promise that the Nippon Kayaku Group will respect human rights, in

order to earn the trust of all stakeholders based on its corporate vision:, the **KAYAKU spirit**. The Nippon Kayaku Group supports and respects international norms relating to human rights, including the United Nations' International Bill of Human Rights (made up of the Universal Declaration of Human Rights [UDHR], the International Covenant on Civil and Political Rights [ICCPR], and the International Covenant on Economic, Social and Cultural Rights [ICESCR]), the United Nations Declaration on the Rights of Indigenous Peoples, the OECD Guidelines for Multinational Enterprises, and the ILO Declaration on Fundamental Principles and Rights at Work, as well as the Children's Rights and Business Principles developed by the United Nations Children's Fund (UNICEF), the United Nations Global Compact, and Save the Children. As a signatory to the UN Global Compact, the Nippon Kayaku Group also supports and respects the Ten Principles of the Compact.

2. Respect for human rights through business activities

2.1 Prohibition of discrimination and harassment

The Nippon Kayaku Group does not tolerate discrimination or harassment based on gender, age, nationality, race, religion, disability, place of origin, ancestry, creed, political views, sexual orientation, marital status, employment status, or other characteristics.

2.2 Appropriate working hours

The Nippon Kayaku Group manages its employees' working hours, days off, and leave entitlements appropriately and in accordance with applicable laws and regulations.

2.3 Fair and equitable remuneration

The Nippon Kayaku Group provides its employees with fair and equitable remuneration. It complies with applicable laws and regulations on minimum wages, out-of-hours work, and statutory welfare and well-being programs and pays its employees an amount higher than the minimum wage so that they are able to maintain or exceed a certain standard of living.

2.4 Freedom of association and collective bargaining rights

Pursuant to laws, regulations, and labor practices of countries and regions where it operates, the Nippon Kayaku Group respects its employees' freedom of association and the right to collective bargaining in their labor-management relations.

2.5 Prohibition of forced labor

The Nippon Kayaku Group does not tolerate forced labor. It also has no tolerance for modern slavery in any form, including debt bondage or human trafficking.

2.6 Prohibition of child labor

The Nippon Kayaku Group does not tolerate child labor and observes the statutory minimum working age. It does not engage any person under the age of 18 years in dangerous operations that may harm that person's health or safety, such as night work or out-of-hours work.

2.7 Occupational health and safety

In accordance with applicable laws and regulations, the Nippon Kayaku Group establishes a work environment where each and every employee can continue to work in good health and safety and without undue stress.

2.8 Impact on community residents

In order to avoid adverse effects on the safety or health of local community residents, the Nippon Kayaku Group conducts human rights impact assessments (such as those relating to contamination and water stress) and takes necessary measures in accordance with international norms to avoid risks and mitigate impacts.

3. Scope of application

This Policy applies to all officers and employees of the Nippon Kayaku Group. The Nippon Kayaku Group requires all business partners involved with its business activities, products and services to comply with this Policy.

4. Responsibility to respect human rights

The Nippon Kayaku Group recognizes that it cannot completely eliminate the possibility of adverse impacts on human rights in its business activities. The Nippon Kayaku Group will fulfill its responsibility to respect human rights and build a responsible supply chain by not infringing on the human rights of those affected by its business activities and by taking appropriate measures to correct any adverse impact on human rights in its business activities.

5. Human rights due diligence

The Nippon Kayaku Group will establish a system to ensure human rights due diligence, identify adverse impacts of the Group on human rights in society, and strive to prevent and mitigate such impacts.

6. Dialogue and consultation

The Nippon Kayaku Group recognizes that in order to appropriately address any

impacts of its business activities on human rights, it is important to adopt the perspective of stakeholders whose human rights are, or are likely to be, affected by its business activities.

7. Education and training

The Nippon Kayaku Group will provide appropriate education and training to ensure that this policy is incorporated and effectively implemented in all of its business activities.

8. Access to remedy

If it is found that the Nippon Kayaku Group's business activities have caused an adverse impact on human rights, or if involvement through business partners is discovered or suspected, the Company will conduct an appropriate investigation and, if necessary, work to remedy the situation through dialogue based on international standards and appropriate procedures.

9. Person responsible

The Nippon Kayaku Group shall clearly specify an officer in charge of the implementation of this policy and supervise the state of its implementation.

10. Information disclosure

The Nippon Kayaku Group will disclose the progress and results of its efforts to respect human rights on its website, and by other means.

11. Applicable laws and regulations

The Nippon Kayaku Group will comply with the laws and regulations of each country or region in which it conducts its business activities. In the event of any conflict between the laws and regulations of individual countries and internationally recognized human rights, the Group will pursue ways to respect international human rights policies to the fullest possible extent.

This policy is adopted by the Company's Board of Directors and signed by its President and Representative Director.

A-4. Nippon Kayaku Group Basic Policy on Anti-Bribery

I. Preamble

Nippon Kayaku established the Nippon Kayaku Group Basic Policy on Anti-Bribery (hereinafter referred to as the Basic Policy) to clarify the basic concept, scope, and rules to be followed regarding the prevention of bribery, for declaration to both inside and outside the company. This basic policy applies to all officers and employees of the Nippon Kayaku Group (employees, junior employees, contract employees, advisors, contract workers, part-time workers, etc.).

II. Overview

The Nippon Kayaku Group established the Nippon Kayaku Group Charter of Conduct and Code of Conduct to implement sustainable management that is integrated with management strategy while maintaining a high level of ethical standards. This is aimed at realizing the corporate vision **KAYAKU spirit** of "continuing to provide society with the best products through constant progress and the combination of conscience."

The Charter of Conduct and Code of Conduct stipulates that; we will "comply with competition laws and other relevant laws and regulations, as well as their spirit and internal regulations, and engage in fair, transparent and free competition in all our business activities; that we will maintain sound relations with politics and the government;" and that we will "comply with relevant laws and regulations in each country and region, and respect international norms, cultures, religions and traditions."

Furthermore, the Nippon Kayaku Group considers the establishment and strengthening of anti-bribery systems both domestically and overseas to be an important issue to be addressed by the Group as a whole as we continue to expand our business globally year by year.

III. Declaration

The Nippon Kayaku Group will comply with laws and regulations that prevent bribery in each country and region in which the Nippon Kayaku Group operates, including the Japan Anti-Unfair Competition Act, the U.S. International Anti-Corruption Act (Foreign Corrupt Practices Act:FCPA),the Bribery Act (Bribery Act:UKBA), and the Chinese Commercial Bribery Regulation. In addition, we will not act in a way that violates the Ethical Code for Public Employees of Japan, the Code of Ethics for National Public Employees, the ethical rules stipulated by special public corporations,

local governments, etc., and the laws and regulations concerning the public employees*¹, etc. of each country.

IV. Compliance items

1. Prohibition of Bribery of Public Officials, etc.

The Nippon Kayaku Group will not provide, offer or promise any illegal entertainment, gifts, benefits or other economic benefits*², whether directly or indirectly, to domestic and overseas public employees or persons in similar positions ("public employees, etc.") with the aim of influencing their conduct of duties..

In the event public officials, etc. request the provision of illegal entertainment, gifts, benefits, or other economic benefits domestically or overseas, the Company shall refuse such request and notify the relevant organizations as appropriate.

2. Payment to intermediaries

Payment shall not be made if the Nippon Kayaku Group becomes aware that payments to contractors, agents, consultants, wholesalers, and other intermediaries to wholesalers to whom the businesses are outsourced, and a portion thereof, are diverted to improper approaches to public officials, etc., or that there is a possibility thereof.

3. Entertainment and gifts to business partners other than public officials, etc.

In compliance with national laws, industry codes and internal regulations, we will not provide entertainment, gifts, or other economic benefits that exceed a reasonable range of social conventions to our domestic and overseas business partners, including their officers and employees.

4. Entertainment and gift-giving

We do not receive excessive entertainment from business partners or gifts of money that exceed the scope of social conventions.

5. Donation activity

Donations, such as grants and political contributions, will not be made for the purpose of fraudulently obtaining or securing business benefits.

6. Control of Records

We will prepare and maintain accounting records of all transactions and dispositions of assets, as appropriate and accurately as possible, to demonstrate that bribery has not occurred.

Requests to Business Partners

This basic policy summarizes the Nippon Kayaku Group's approach to anti-bribery,

and we believe that the understanding and cooperation of our business partners is essential to the implementation of this basic policy. The Nippon Kayaku Group requests to conclude a contract that includes provisions to understand this Basic Policy and to comply with relevant laws and regulations, including the prevention of bribery, at the time of new use or renewal of the contract with intermediate manufacturers such as contractors, agents, consultants and wholesalers who may come into contact with public officials. If you encounter or suspect any violations to this basic policy or related laws or regulations, please notify your contact person at the Nippon Kayaku Group.

We also request that you cooperate in investigations by Nippon Kayaku Group companies or relevant authorities regarding alleged violations or violations.

* 1 "Public officers, etc." refers to those who are in charge of legislative, administrative, judicial, and other public affairs in each country or region, candidates for such services, officials of government agencies, employees of companies and other organizations owned and operated by the government, officers and employees of political parties, and officers and employees of public international organizations composed of countries, regions, and their governments.

* 2 "Gifts, benefits, and other economic benefits" include all items that are equivalent to cash, such as gifts, services, employment, loans, travel expenses, food and beverage, invitations (sports tours, theatrical tours), donations, daily grants, and rewards, all of which are in profit, whether in their nominal terms. Provided, however, that this shall not apply to acts where the scope of the Anti-Corruption and Anti-Bribery Laws and Regulations applicable to each country or region is moderate in light of lawful and sound business practices and socially accepted norms.

A-5. The Declaration on Environment, Health and Safety, and Quality

The Nippon Kayaku Group, under its corporate motto of “**KAYAKU spirit**”, which calls for continuously providing society with the best products through ceaseless progress and the combined forces of our consciences, we will contribute to the realization of a sustainable society that safeguards the life and health of consumers, and supports a comfortable life.

Fundamental Policies

1. We will strive to maintain and improve the environment, people’s health and safety across the entire product lifecycle, from R&D to production, distribution, sales, recycling, and disposal.
2. We will strive to prevent pollution, protect biodiversity, and conserve the environment by promoting reduction and proper disposal of waste, reduction of resource consumption (of energy, water, and raw materials), and Climate change measures (toward reduction of greenhouse gas emissions).
3. We will actively provide business partners with information needed for the safe usage and handling of our products and for conserving the environment.
4. We will enhance the quality of not only products, but operating processes as well, and also work to enhance customer satisfaction.
5. We will heighten employee knowledge and skills through education and training and achieve our goal of zero pollution, zero injuries, zero accidents and enhanced quality.
6. We will disclose information so that stakeholders correctly understand our business activities and also strive to engage in dialogue with local communities and government authorities.

B. Nippon Kayaku Group Procurement Policy

B-1. Basic Procurement Principles

In order to realize the **KAYAKU spirit**, Nippon Kayaku Group will pursue mutual and sustainable growth with suppliers based on the understanding they are important business partners who help us produce products of the best quality. We will strive to conduct procurement transactions that are fair, honest, impartial, and in accordance with relevant laws, social norms, and our Basic Procurement Policies.

B-2. Basic Procurement Policies

At Nippon Kayaku Group, all procurement operations will be carried out in accordance with the Basic Procurement Policies as set out below.

Compliance with Relevant Laws, Social Norms, and the Nippon Kayaku Group Charter of Conduct

1. We will comply with all relevant laws and regulations when conducting procurement operations.
2. We will judge the propriety of procurement activities based on Nippon Kayaku Group Charter of Conduct and the Nippon Kayaku Group Code of Conduct.

Open-door Policy, Fairness, Impartiality, and Transparency in Business Transactions

3. We will conduct procurement-related business transactions in a fair, impartial, and transparent manner, and follow an open-door policy with respect to businesses at home and abroad.
4. In order to ensure transparency in all our procurement activities, we will undertake due procedures based on written documentation or electronic purchasing systems in accordance with the procurement operations standards.

Partnerships with our business partners

5. We will build partnerships with suppliers based on mutual understanding and trust, and pursue mutual sustainable growth.

Protection of Information

6. We will protect supplier-related information obtained in the course of our operations, and strive to prevent any information leakage.

Concern for the Environment

7. We will promote the procurement of eco-friendly goods and materials.

Basic Criteria for Selecting Suppliers

8. When selecting goods and materials, we will give due consideration to economic factors such as quality, price, and date of delivery. We will also consider other factors such as the supplier's operating foundations, technological competitiveness, and stability of supply.

9. When selecting suppliers, we will give due consideration to their commitment to realization of a sustainable society, including their observance of relevant laws and regulations, respect for human rights, concern for the working environment, disaster preparedness and safety measures, efforts toward environmental conservation, and other efforts designed to fulfill their Sustainable.

10. In addition to the above, we will give due consideration to whether or not the potential supplier has a risk management system such as BCP (Business Continuity Plan).

B-3. Policy on Responsible Mineral Procurement

There is a concern that profits from the mining and trade of gold, tin, tantalum, tungsten, and cobalt, natural mica (hereinafter, the "minerals") in CAHRAs* (hereinafter, the "target areas") provide a major source of funding for organizations involved in armed conflict, human rights violations including child labor and forced labor, environmental destruction, corruption, etc.

In light of this concern, we take measures to avoid the use of minerals from the target areas (hereinafter, "conflict minerals") and any raw materials that contain conflict minerals so as to avoid providing support for armed conflicts and/or inhumane activities. In the event that any use by us of conflict minerals is identified, we will take corrective measures without delay. We ask our suppliers to abide by our policy and cooperate with us by avoiding the use of conflict minerals in raw materials used for our products.

* CAHRAs (Conflict-Affected and High-Risk Areas) stipulated by the EU Conflict Minerals Regulation

See the list: <https://www.cahraslist.net/cahras>

2. Sustainable Procurement Guidelines

This guideline is defined as a matter that the Nippon Kayaku Group and its suppliers should work on in order to fulfill their social responsibilities as members of society and to practice responsible corporate behavior. We hope that our suppliers will understand this guideline, promote Sustainable activities throughout the supply chain, including expanding to your suppliers, and aim to realize a sustainable society. We kindly ask you to proceed with the efforts in line with this guideline.

Section 1: Code of Conduct

1. Legal and Ethical Compliance

1.1 Prohibition of Restrictive Trade Practices and Unfair Competition

Companies are requested to refrain from practices that restrict fair, transparent, and free competition.

1.2 Prohibition of Abuse of Superior Bargaining Position

Companies are requested to refrain from practices that create disadvantage for their own suppliers (sub-suppliers, from Nippon Kayaku's perspective) by abusing their superior bargaining position.

1.3 Preventing Corruption

Companies must not be involved in bribery, corruption, blackmail, or embezzlement in any form.

1.4 Prohibition of the Giving or Receiving of Improper Advantage

Companies are requested to refrain from giving to or receiving from their stakeholders any improper advantage.

1.5 Respect for Intellectual Property

Companies are requested to refrain from infringing upon intellectual property rights.

1.6 Prevention and Early Detection of Improper Practices

Companies are requested to conduct activities designed to prevent improper practices and to establish an early detection system.

1.7 Prevention of Leakage of Personal Information

Companies must comply with relevant laws and regulations and appropriately manage and protect all personal information of suppliers, customers, consumers, and employees.

1.8 Proper Import/Export Control

Companies must maintain a clear management system and conduct appropriate procedures for the import and export of technologies and goods regulated by law.

1.9 Prevention of Leakage of Information about Clients and Third Parties

Companies are requested to appropriately manage and protect confidential information regarding clients and third parties.

1.10 Responsible Minerals Procurement

Companies must not use minerals in their products that can cause social problems such as human rights and the environment.

1.11 Animal Welfare

Companies are requested to consider animal welfare and to treat experimental animals appropriately so as to minimize their pain and stress. Companies are also expected to abide by the 3Rs (replacement, reduction, and refinement) to ensure that animal experiments are conducted properly and in consideration of animal protection.

2. Human Rights and Labor

2.1 Prohibition of Inhumane Treatment

Companies are requested to respect the human rights of employees and to prohibit abuse, harassment, and any other cruel and inhumane treatment. Companies must also provide workers with individually secured accommodations for storing their personal and valuable items, and a reasonable personal space along with reasonable entry and exit privilege.

2.2 Prohibition of Discrimination

Companies must not engage in discrimination or harassment. Companies must also consider requests from workers regarding religious practices where appropriate.

2.3 Working Hours

Companies are requested to manage employee working hours, days off, and leave appropriately and to prohibit excessive overtime work. Companies are also expected to strive to reduce long working hours.

2.4 Respecting Employees' Right to Organize

Companies are requested to respect employees' right to freedom of association and collective bargaining so as to enable negotiations between labor and management over the working environment, wage standards, etc.

2.5 Prohibition of Forced Labor

Companies are requested to employ all employees of their own free will with no employee being subject to forced labor.

2.6 Prohibition of Child Labor

Companies must not allow children who are under the minimum age for employment.

Furthermore, companies must not allow persons under the age of 18 to perform hazardous work that is likely to jeopardize their health or safety, including night shift and overtime work.

2.7 Occupational Accidents and Disease resulting from Employment

Companies are requested to understand the situation concerning occupational accidents and disease resulting from employment, and to establish appropriate measures.

2.8 Giving Due Consideration to Physically Demanding Work

Companies are requested to specify physically demanding work and to appropriately manage workload to prevent accidents or disease.

2.9 Appropriate Wages

Companies are requested to provide employees with fair and equitable compensation that exceeds the minimum wage and to abide by all applicable wage-related legislation, including laws on minimum wages, overtime, and legally mandated welfare measures.

3. Health and Safety

3.1 Emergency Measures

In order to protect the welfare of employees, suppliers are requested to prepare emergency measures as a precaution against possible disasters or accidents, and to ensure that they are fully understood throughout the workplace.

3.2 Health and Safety in Facilities

Companies are requested to appropriately safeguard health and safety in facilities provided to employees (company housing, cafeterias, and restrooms, etc.).

3.3 Safety Measures for Machinery and Equipment

Companies are requested to establish appropriate safety measures with respect to machinery and equipment used by employees.

3.4 Safety in the Workplace

Companies are requested to assess safety risks in the workplace and to use appropriate designs, techniques, and control measures to secure safety. Taking reasonable steps must also be taken to protect pregnant women and nursing mothers.

3.5 Hygiene in the Workplace

Companies are requested to identify situations in which employees are exposed to harmful substances, noises, or odors, and to establish appropriate measures.

3.6 Employee Health Management

Companies are requested to carry out appropriate health management with respect to all employees.

3.7 Health and Safety Communication

Companies must provide training on appropriate health and safety information regarding various workplace hazards that workers are exposed to in the workplace in languages and methods that the workers can understand. A system that enables workers to provide feedback on safety is also required.

4. Concern for the Environment

4.1 Environmental Management System

Companies are requested to establish and run an Environmental Management System.

4.2 Chemical Substance Management

Companies must comply with laws and regulations to identify, label, and manage chemical and other substances posing hazard to humans or the environment, and conduct management to ensure safe handling, transport, storage, use, recycling, reuse, or disposal of such substances.

4.3 Environmental/Government Permits

Companies are requested to obtain permits from governmental bodies in cases where they are required by local laws, and to submit the necessary reports to such bodies.

4.4 Minimization of Impact on Environment (drainage, sludge, emissions)

Companies are requested to comply with laws and regulations on drainage, sludge, and emissions in the country concerned, and to make further improvements to voluntary standards as necessary.

4.5 Sustainable and Efficient Utilization of Water, Raw Materials, etc. and Waste Management

Companies must comply with relevant laws and regulations and ensure appropriate management of resources and materials, including reduction and reuse of water, raw materials, etc. used during manufacturing and promotion of utilization of recycled resources and recycled parts in order to promote the 3Rs (reduce, reuse, and recycle), ensure sustainable and efficient utilization of water, raw materials, etc., and minimize waste.

4.6 Biodiversity Conservation

Companies are requested to conserve biodiversity.

Possible approaches to biodiversity conservation activities include: (1) grasping the relationships between business activities and biodiversity to promote biodiversity conservation activities, (2) promoting conservation of habitats of living organisms, (3) working together with stakeholders, and (4) preventing climate change and using resources effectively.

Companies are also requested to incorporate biodiversity initiatives into their

environmental management systems, such as ISO 14001, for ongoing improvement (PDCA cycles).

4.7 Disclosing Environmental Activities

Companies are requested to disclose the outcomes of environmental activities as necessary.

4.8 Reducing Energy Consumption and Greenhouse Gas Emissions

Companies must address energy efficiency and make continuous efforts for reducing greenhouse gas emissions and energy consumption.

5. Product Quality and Safety

5.1 Securing Product Safety

When responsible for product design, suppliers are requested to ensure that the products satisfy safety standards in the countries concerned.

5.2 Quality Management System

Companies are requested to establish and run a quality management system. And must comply with their own quality standards and customer requirements in addition to all laws and regulations applicable to the quality of products and services.

5.3 Control of Chemical Substances Contained in Products

With respect to all of their products, suppliers are requested to control chemical substances specified in the laws of countries where the products concerned are manufactured, imported to, or used in.

5.4 Provision of Accurate Information on Products and Services

Companies are requested to provide consumers and clients with accurate information about their products and services.

6. Information Security

6.1 Protection from Threats to Computer Networks

Companies are requested to establish protective measures against threats to computer networks to prevent any harm arising in their company or other companies.

7. BCP (Business Continuity Plan)

7.1 Disaster-Preparedness Measures

Companies are requested to prepare a BCP manual.

8. Disclosure of Information

8.1 Disclosure of Information to Stakeholders

Companies are requested to proactively disclose information to stakeholders irrespective of whether or not such disclosure is mandated by law.

9. Social Contribution

9.1 Contribution to the Community

Companies are requested to voluntarily carry out activities designed to contribute to the development of the local and global community.

Section 2: Establishing a Management System

1. Establishing a Management System

Companies must establish a management system in order to comply with the code of conduct.

2. Supplier Management

Companies must establish a process for communicating the requirements of the code of conduct to suppliers and monitoring supplier compliance.

3. Establishing a Grievance Mechanism

Companies must establish a grievance mechanism that can be used by stakeholders including workers and suppliers in order to prevent illicit behavior in their inside as well as throughout the supply chain.

4. Disclosing the Activities

Companies must disclose information regarding their actions according to these guidelines and relevant laws and regulations.

<reference>

- Responsible Business Conduct Guidelines Ver1.0 (March 2020)
(Japan Electronics and Information Technology Industries Association)
- Responsible Business Alliance Code of Conduct Ver.7.0(2021)