



# CSR Procurement Guidelines

Based on our Group Mission "TechnoAmenity - Providing prosperity and comfort to people and society, with our unique technology", we are engaged in business activities to contribute to the achievement of a sustainable society.

In our procurement activities, we strive to fulfill our social responsibilities throughout the supply chain and to ensure sustainable procurement, and we believe that the understanding and cooperation of our suppliers are indispensable in promoting such efforts.

Based on this belief, we have compiled a set of CSR Procurement Guidelines that we would like our suppliers to work on together with our Group companies. We ask our business partners to understand these guidelines and take action accordingly.

## 1. Compliance

### (1) Observance of the relevant national and local laws, ordinances, and regulations and business ethics

We will observe the relevant laws, ordinances and regulations in the countries and regions where we do business. We will behave with integrity, fairness, good will, in a self-directed fashion, and law-abiding spirit.

### (2) Prevention, early detection and correction of misconduct

For the prevention, early detection and correction of misconduct, we will establish a system that allows concerned parties who become aware of misconduct to report it directly. In doing so, we will protect the confidentiality of whistleblowers and treat them fairly so that they will not be disadvantaged.

## 2. Fair and honest business dealings

### (1) Fair disclosure of information

We disclose timely and accurate information about ourselves in accordance with the relevant legislation, and we are transparent in our explanations.

### (2) Fair and free dealings

We will observe the relevant laws, ordinances, and regulations concerning fair and free competition and business activities in other countries and regions where we do business. We will avoid any conduct which restricts free and fair market competition (abuse of market dominant position, cartel, and unfair trade practice) in every business activity including sales, procurement, research and development, and manufacturing, in order to ensure free and fair business activities.

### (3) Prevention of bribery and corruption

- a. We will not commit any violation of anti-bribery laws of any country, including making inappropriate payoff, offering or promising to pay money/anything of value, to public officials.

- b. We will not aid, abet or authorize any of such illegal conduct by any third party.
- c. We will not provide with or accept any entertainment and gifts, which go beyond the bounds of socially accepted limits, to/from clients, customers and other business partners.

#### **(4) Respect for trade-related laws and ordinances**

- a. In trading raw materials and products, we will follow proper trade procedures in accordance with the relevant laws and ordinances and will not trade in contraband.
- b. We will not export technology that will be used as information, materials, or products in the production of weapons of mass destruction that would interfere with the preservation of international peace and safety, including nuclear, chemical, and biological weapons.

#### **(5) Responsible procurement**

Because our business activities are dependent on the cooperation of the many people and companies in our supply chain, we will promote responsible procurement practices and engage in transactions that are honest and proper.

#### **(6) Respect for and use of intellectual property**

- a. We will strive to protect our intellectual property rights and use them in effective way, as we believe that patents, trademarks, designs, knowhow, trade secrets, and publications are key corporate assets and the source of our competitive strength.
- b. In the manufacture and sale of our products, research and development, provision of service, and other business activities, we will respect the intellectual property rights of others and will not infringe on them.

#### **(7) Information security**

- a. We will closely control access to our information assets and data systems in order to prevent unauthorized access, loss, leaks, manipulation, destruction, and hacking.
- b. We will formulate measures to counter threats to our computer network and endeavor to minimize any damage to ourselves and others.

#### **(8) Management of confidential information**

- a. We will strictly manage the confidential information of others obtained in the course of business.
- b. We will not allow unauthorized disclosures or leaks, and we will not permit such information to be used for purposes other than those intended, nor will we permit viewing by uninvolved parties.

#### **(9) Protection of personal information and privacy**

We respect individuals' privacy and collect personal information to the extent necessary and appropriate. We will also strictly manage and protect personal information collected.

#### **( 1 0 ) Dealing with antisocial forces**

- a. We will have absolutely nothing to do with antisocial forces that threaten public order and safety or the stable business of the company, whether it is through business relations, money laundering, and other means of providing profits to those involved in such forces.
- b. We will take a firm stance in rejecting improper demands from antisocial forces.

### **3 . Respect for human rights**

#### **( 1 ) Respect for human rights**

- a. We will respect everyone's human rights and will not engage in any conduct that unfairly discriminates or harms the dignity of an individual, regardless of the reason.
- b. We will prevent human rights violations by respecting international human rights standards, and the laws and ordinances of each country and region. In the event of a violation, we will respond appropriately and with fairness.
- c. Recognizing that our business activities have an impact on human rights, we will not provide products to firms or groups that commit or promote human rights violations, and we will not take part in purchasing any products or services from such firms or groups.

#### **( 2 ) Prohibition against forced labor and child labor**

Under no circumstances will we ever engage in forced labor or child labor, and we will not allow forced labor or child labor to take place in our supply chain.

#### **( 3 ) Prohibition against discrimination**

Under no circumstances will we ever engage in discrimination based on gender, age, nationality, race, ethnicity, social status, place of origin, beliefs, creed, religion, physical characteristics, sexual orientation, sexual identity, or disease or disability.

#### **( 4 ) Prohibition against harassment**

Under no circumstances will we ever engage in sexual harassment, abuse of power, pregnancy discrimination, or other discriminatory behaviors against another person, or do anything that threatens them or makes them uncomfortable, regardless of whether such threat is physical or emotional.

### **4 . Fair hiring, labor, and compensation**

#### **( 1 ) Payment of appropriate wages and proper management of working hours**

We will maintain sound hiring and labor practices, and our treatment of employees regarding wages, work hours, vacations, and the like will conform to the relevant laws and ordinances of the respective countries and regions.

### **(2) Respect for employees' freedom of association and collective bargaining rights**

In accordance with the relevant laws and ordinances of each country and region, we will respect the right to form or participate in labor unions, the right to engage in collective bargaining, and the right to assemble peacefully.

### **(3) Provision of equal opportunities**

We will treat everyone fairly in accordance with their work skills and performance.

## **5. Preserving the environment**

### **(1) Harmony with the global environment**

Based on the desire to leave a better global environment to the next generation, we are controlling emissions of hazardous materials and are taking initiatives to address environmental issues.

### **(2) Climate change initiatives**

Besides reducing emissions of carbon dioxide and other greenhouse gases in our business activities, we are helping to reduce emissions throughout the supply chain, thus contributing to bringing about carbon neutrality.

### **(3) Efficient use of resources**

We are actively involved in resource and energy conservation, waste reduction, and recycling efforts, so that our limited and precious resources can be used more efficiently.

### **(4) Preserving biodiversity**

Recognizing that our business activities do affect biodiversity, we are promoting a deeper understanding and awareness of preserving biodiversity and biodiversity-friendly programs.

## **6. Ensuring product safety and quality**

### **(1) Providing safe and reliable products and services**

We will comply with the laws and regulations of the countries and regions in which we operate, and provide products and services that meet the quality standards of our customers.

### **(2) Providing safe, high-quality information**

When providing products and services, we will properly furnish the necessary information regarding quality and safe usage in an easily understandable way.

### **(3) Proper management of chemical substances**

- a. In the manufacturing process, we will manage chemical substances specified by the laws and regulations of the country in which they are located.
- b. We will manage chemical substances specified by the laws and regulations of each country for all products.

## **7. Security, disaster prevention, and safety and health**

### **(1) Comprehensive process safety and disaster prevention**

We will comply with laws, regulations, and rules related to security and disaster prevention, and thoroughly implement various measures to prevent accidents and disasters that may affect the environment and society, such as explosions, fires, and leaks of hazardous substances. We will also prepare an emergency response plan and make it known to all employees throughout the workplace.

### **(2) Workplace health and safety**

- a. We will strive to eliminate work-related disasters, and we will observe all laws, ordinances, and regulations concerning workplace health and safety.
- b. We will consider our health as well as the health of those working with us and will strive to maintain and enhance a workplace environment in which everyone can be assured of safety and comfort.

### **(3) Business continuity**

We will establish operational structures, including a business continuity plan (BCP), to ensure early recovery in the event of natural disasters such as earthquakes and floods, infectious diseases, cyber attacks, and other threats.

## **8. Contributing to local communities**

### **(1) Respecting local culture**

We will respect the natural surroundings, culture, traditions, and customs of the countries and regions where we do business, and we will work together with local communities and contribute to their development.

End

Established in March 2022

Nippon Shokubai CSR Procurement Guidelines