

## CSR Procurement Guidelines

With regards to the Teijin Group's purchasing and procurement activities, we request that suppliers take the following action. In addition, we will promote to purchase and procure from suppliers that have been taking these actions.

### 1. Quality and safety

Products must meet safety and quality standards prescribed under laws and regulations in individual countries as well as industry standards.

Chemical additives must be properly managed, and by, for example, obtaining external certification such as ISO 9001.

Furthermore, a quality management system must be deployed and continuously maintained and improved to promote quality assurance.

### 2. Human rights and labor

#### (a) Forced labor

Slave labor, human trafficking, debt bondage, labor based on violence, threats, or political oppression, or any other form of forced labor is prohibited.

#### (b) Child labor and young workers

Children under the age of 15 years must not be hired in any country in which you have activities. Furthermore, you must not allow young workers between the ages of 15 and 17 to work at night, work overtime, or perform work that puts their health or safety at risk. You must also pay young workers appropriate remuneration and respect their right to learn.

#### (c) Foreign workers

Foreign workers must be provided with an employment contract and rules of employment in languages which employees can understand. Employers and temporary staffing agencies (including business cooperatives and nonprofit organizations) must not confiscate and prevent the use by workers of government-issued identity cards, passports, and work permits (unless holding work permits is required by law) as well as migrant applications. Furthermore, employers and temporary staffing agencies must not charge fees to workers.

#### (d) Working hours and holidays

Working outside regular hours (overtime, working on holidays, etc.) is only permitted if the worker agrees to it. Except under special circumstances, workers cannot be required to work more than the maximum weekly working hours prescribed under local laws and workers must be given at least one contiguous 24-hour period off per week. Furthermore, paid holidays and statutory holidays must be provided in accordance with local laws.

(e) Wages and welfare benefits

After explaining the components of wages and the method used for calculating them, you must pay workers at least minimum wage. You must also provide statutory welfare benefits. Wages for work performed outside regular hours must be calculated in accordance with applicable laws and must be higher by a reasonable percentage than wages for regular work.

(f) Discrimination

Recruitment, remuneration, welfare benefits, training opportunities, work duties, promotions/wage increases, and discipline/dismissal must not be influenced by race, nationality, gender, religion, age, disability, marital status, family background, organizations joined, gender identity, sexual orientation, or political ideology. You must implement measure for preventing discrimination such as providing training to all workers.

(g) Harassment

Workers must be treated with respect and dignity, and must not be exposed to any sort of harassment or pestering. You must implement measure for preventing harassment such as providing training to all workers.

(h) Freedom of association

The right of workers to freely exercise the right to organize and the right to collective bargaining must be recognized. You must also make efforts to resolve labor disputes and engage in effective and periodic communication with workers and their representatives.

3. Safety and Health

(a) Permits relating to labor safety and health

You must apply for permits relating to labor safety and health for facilities and operations that require them and assign licensed personnel in accordance with laws, regulations, etc. in order to properly manage them.

(b) Sanitary facilities

You must endeavor to maintain the health of employees in order to prevent diseases and occupational accidents. Workers must be provided with a safe and hygienic working environment, and access to sanitary facilities such as toilets and dining rooms must not be unjustly restricted. Furthermore, dormitories for workers must be equipped with proper sanitary facilities and kept clean.

(c) Preparedness for emergencies

To prepare for emergencies, workers must be provided with training concerning notifications and evacuation procedures, and proper equipment such as fire extinguishers and fire alarms must be installed and maintained. In other words, efforts must be made to minimize damage in the event of an emergency.

(d) Safety training

Proper training concerning workplace health and safety must be provided on an ongoing basis in languages which employees can understand. Furthermore, information relating to health and safety must be clearly displayed in the workplace.

(e) Measures to ensure the safety of machinery

Machinery needs to be assessed for safety risks. If there is a risk of workers suffering injury due to machinery, physical protection measures must be implemented such as guard rails, interlocks, protective walls, etc. as required and the machinery concerned must be properly maintained and managed.

(f) Occupational health

The risk which chemical, biological, and physical substances will influence workers must be identified, assessed, and managed. We also recommend that all workers receive a medical examination by the frequency pursuant to laws or at least once a year, whichever is more.

(g) Occupational accidents

Classification and records of injuries resulting from occupational accidents and illnesses must be kept, the necessary treatment must be provided, the causes of occupational accidents must be investigated, corrective action must be taken to eliminate the causes of them, and a process must be followed for enabling workers to return to the workplace.

(h) Occupational health and safety management system

A management system for occupational health and safety, such as one based on ISO45001, must be deployed and internal audits must be performed in order to facilitate ongoing improvements in occupational health and safety. We also recommend the management of health and safety risks.

4. Formulation of business continuity plan

We recommend that a business continuity plan be formulated and strategically administered to allow business operations to continue or be promptly restarted in the event of a disaster or accident.

5. Fair trade and ethics

(a) Prohibition of bribery

The exchange or provision of entertainment, gifts, or money for the purpose of illicit gain in the course of engaging in transactions is prohibited. You must also formulate and implement a policy and measure for preventing corruption, bribery, and extortion.

(b) Fair business

You must not engage in private monopoly, inappropriately restrict trading (through

cartels, bid-rigging, etc.), employ unfair business methods, or abuse your status, and you must comply with competition laws in individual countries and territories. You must also confirm legal or regulatory developments that apply to your company and inform workers about them. We also recommend that you provide all workers with training on fair trading and ethics.

(c) Intellectual property

You must endeavor to safeguard and utilize your company's intellectual property rights. Furthermore, you must not unjustly infringe the intellectual property rights of other companies.

(d) Information disclosure and presentation

You must properly disclose or display information concerning labor, health/safety, and environmental initiatives, business activities, financial condition, products, and corporate structure and performance in accordance with applicable regulations, etc.

(e) Information security

You must only obtain personal information and confidential information using appropriate methods. You must also strictly manage and protect it, and only use it within a reasonable scope.

(f) Conflict minerals

You must take care that minerals that you procure or that are used in your products do not provide any sourcing of finance for armed groups or organizations involved in human rights violations, environmental disruption, corruption, etc. in conflict regions and high-risk areas. In particular, "conflict minerals" must not be used in principle.

\* Conflict minerals: Designated metal ore (gold, tin, tantalum, and tungsten) mined in conflict regions and high-risk areas with the concern to provide sourcing of finance for armed groups or organizations involved in human rights violations, environmental disruption, corruption, etc.

(g) Blocking of relationships with antisocial forces

You must adopt a firm attitude toward criminal organizations and other antisocial forces, not allowing their involvement, and blocking any and all relationships with them.

6. Export control Compliance

With regard to products or technologies subject to your national export control laws and/or regulations and other applicable export control-related laws and regulations of other countries, you must implement thorough measures to ensure that you comply with them and are not involved in illegal exports.

7. Environmental conservation

- (a) Action on climate change  
You must endeavor to devise methods for improving energy efficiency and minimizing the consumption of resources. You must also identify current emissions of greenhouse gases by each of your facilities and by your company as a whole and take action to reduce them.
- (b) Permits relating to environmental conservation (air, wastewater, noise, vibration, etc.)  
You must apply for environmental-conservation-related permits for facilities and operations that require them and assign licensed personnel in accordance with laws, regulations, etc. in order to properly manage them.
- (c) Minimizing environmental impact (air, water, soil)  
To prevent air, water, and soil pollution, you must manage and treat discharged substances.
- (d) Management of chemical substances  
Chemical substances that could cause environmental pollution must be managed safely. Chemical substances that are prohibited under the laws and regulations of individual regions and territories must not be used. Furthermore, regarding the substances whose use has been limited by laws and regulations you must notify customers of whether those substances are contained in products. In addition, SDS must be issued and updated.
- (e) Waste reduction (3Rs)  
You must pursue the 3Rs (reduce, reuse, and recycle) in order to reduce waste and byproducts.
- (f) Water usage control  
You must manage water intake and water discharge and you must strive to optimize water usage.
- (g) Environmental management system  
You must formulate an environmental policy, take action and develop products, raw materials, and technology for preventing pollution, and make efforts to conserve the environment. We also recommend that you conduct internal audits, obtain certification, such as ISO 14001, for your environmental management system, and perform environmental impact assessments.
- (h) Promotion of green purchasing and procurement  
When purchasing or procuring products or services, you must give consideration to the environment, and promote to purchase and procure from suppliers that are endeavoring to reduce environmental impact such as by selecting products and services with the minimum environmental impact.

## 8. Consideration for local communities

When conducting business in local communities, we recommend that you engage in dialog with local residents (including indigenous peoples) in advance and adapt your business activities to suit the community.

9. Contact point for consultations and internal reporting

You must deploy and operate a system for seeking advice and internal reporting that ensures that its users need not fear retribution, such as by being forced into a disadvantageous position. We recommend that you install a neutral advice and internal reporting point operated by the third party to protect internal reporters and prevent retribution.

10. Responsible supply chain promotion

You must inform your suppliers about the contents of these guidelines and you must endeavor to ensure compliance. We also recommend that you monitor compliance and work together with suppliers to address inadequacies.

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