



# **KYOKUYO GROUP SUPPLIER GUIDELINES**

**KYOKUYO CO., LTD.**

## **Kyokuyo Group "Supplier Guidelines"**

### **Preface**

The Kyokuyo Group promotes CSR activities based on the "Corporate Philosophy" and "Kyokuyo Group Corporate Action Charter." We aim to solve societal challenges and achieve sustainable growth through dialogue with stakeholders, while contributing to the sustainable development of society by creating social and economic value in our business activities that emphasize ESG.

In order to fulfill our social responsibilities through "responsible procurement" activities based on this concept and contribute to the realization of a sustainable society, we have formulated the "Kyokuyo Group Basic Procurement Policy" in line with ISO 26000, an international standard for social responsibility.

In order to work toward establishing a sustainable supply chain through "responsible procurement," it is essential that, not only the Kyokuyo Group, but also all of our business partners who provide raw materials, products, equipment, and services understand the thinking of the Kyokuyo Group and work on CSR activities throughout the supply chain.

Accordingly, the Kyokuyo Group established "Supplier Guidelines" as guidelines for business partners. We ask our business partners to understand the purpose of the guidelines and take a proactive approach, including deployment of the guidelines to their business partners who make up the supply chain.

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## Supplier Guidelines

### 1. Compliance with laws and social norms

#### Compliance with laws, regulations, and social norms

Suppliers should comply with domestic and foreign laws, regulations, and social norms.

#### Appropriate import and export control

Suppliers should conduct appropriate import/export transactions in compliance with related laws and regulations.

#### Information disclosure

Suppliers should disclose accurate and impartial information to stakeholders.

#### Fraud prevention and early detection of fraud

Suppliers should establish a compliance system for fraud prevention and early detection of fraud.

#### Elimination of anti-social forces

Suppliers should have no relationship with any anti-social forces that threaten the order and security of civil society, as well as any groups and/or individuals associated with anti-social forces.

### 2. Respect for Human Rights

#### Respect for human rights and prohibition of discrimination

Suppliers should respect fundamental human rights and eliminate unfair discrimination.

#### Elimination of harassment

Suppliers should eliminate bullying and harassment from the workplace.

#### Promotion of diverse human resources

Suppliers should promote appointment of diverse human resources.

#### No forced labor, no child labor

Suppliers should eliminate any kind of human right violation, such as forced labor and child labor, and not be complicit in these behaviors.

### **3. Safe and employee-friendly workplace environment**

#### Execution of labor contracts

Suppliers should execute appropriate labor contracts based on local laws and regulations.

#### Ensuring employees' safety and health and managing employees' health

Suppliers should maintain a working environment where the safety and hygiene of employees are ensured and conduct appropriate employees' health management.

#### Prevention of work-related accidents

Suppliers should make effort to prevent work-related accidents.

#### Sound labor management relations

Suppliers should respect the rights of workers and build sound labor-management relations.

#### Payment of appropriate wages

Suppliers should guarantee the legal minimum wage and prohibit unreasonable reductions.

#### Management of proper working hours

Suppliers should execute proper management of legal working hours, breaks, and holidays.

### **4. Consideration of the global environment**

#### Sustainable use of energy and natural resources and prevention of pollution

Suppliers should make effort to reduce waste through energy conservation and effective use of natural resources, as well as to prevent pollution through reduction and thorough management of waste and emissions.

#### Sustainable use of natural resources

Suppliers should make effort toward sustainable use of all natural resources, including fisheries resources.

#### Prevention of global warming

Suppliers should make effort to reduce greenhouse gas, prevent global warming, and mitigate climate change.

#### Procurement in consideration of the environment

Suppliers should actively consider the natural environment in procurement of raw materials.

#### Environment management system

Suppliers should have an environmental management system and work on environmental conservation activities.

### **5. Fair business practices**

#### Fair trading practices

Suppliers should procure through fair, transparent, and free competition in compliance with laws and regulations, without having cartels, bid rigging, or abuse of a dominant bargaining position.

#### Prevention of corruption

The Kyokuyo Group will always maintain a sound and transparent relationship with political groups, governments, industry groups, other companies, and individuals, and will not act in a manner that deviates from relevant laws and business customs.

Suppliers should make similar efforts to prevent corruption.

#### Fulfillment of contracts

Suppliers should fulfill contracts made with business partners.

#### Respect for intellectual property

Suppliers should respect intellectual property rights and not abuse or infringe on them.

## **6. Safe and reliable products and services**

### Ensuring safety and guaranteeing quality

Suppliers should comply with safety and health standards stipulated by the laws and regulations of each country and ensure the safety and quality of products and services that fulfill the requirements of the standards of the Kyokuyo Group.

### Disclosure of product information

Suppliers should provide accurate and appropriate information on products and services so that consumers and users can make accurate judgements.

### Prevention and control of health damage

Suppliers should provide accurate information on the safety and security of products and services quickly.

## **7. Coexistence with local communities**

### Contribution to local communities

Suppliers should contribute to the growth and development of local communities, respecting the customs and cultures of local communities.

## **8. Information security**

### Defense against threats on computer networks

Suppliers should take defensive measures against threats on computer networks and manage them in a manner that prevents their own company and other companies from being damaged.

### Proper management of personal information

Suppliers should properly manage and protect personal information of customers, third parties, and employees.

### Proper management of confidential information

Suppliers should properly manage and protect important confidential information received from customers and third parties.

## **9. Deployment into supply chain**

Suppliers should ask their business partners to understand the guidelines and to cooperate in putting guidelines into practice, in order to build a sustainable supply chain.

## **10. Monitoring**

We may ask suppliers for cooperation in monitoring, such as questionnaire surveys and interviews, in order to confirm the status of their efforts.

In the event that a non-conformity with the guidelines is identified, we will ask suppliers for improvement and will provide them with our support for improvement as well.

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