

JDI Supply Chain Sustainability Promotion Guidebook

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Introduction

The business environment surrounding companies is changing significantly due to the globalization of corporate activities and the advancement of information and communication technology. In this environment, we electronics companies have collaborated with many partners to provide products and technologies that support the foundation of society and industry. On the other hand, looking at society as a whole, there is also a growing interest in corporate efforts to create a sustainable society against the backdrop of many criticisms of repeated corporate scandals and dishonest corporate activities.

In such an environment, electronics companies, which play a leading role in leading the information society, are not only responsible for legal compliance, but also fulfill their social responsibilities through their corporate activities as a member of society.

It is expected that the company will actively engage in corporate social responsibility (CSR) and practice responsible corporate behavior.

"CSR is generally understood as voluntary initiatives undertaken by companies for the purpose of sustainable development in areas other than purely financial activities, such as legal compliance, consumer protection, environmental protection, labor, respect for human rights, and contribution to local communities" (Ministry of Economy, Trade and Industry). In other words, the idea is that private companies are social beings and have a responsibility to conduct business operations with sufficient consideration for the stakeholders surrounding the company under a management system based on ethics. In recent years, there has been a movement to place "sustainability," including environmental, social, and governance (ESG) at the core of corporate management, encompassing conventional CSR concepts.

Looking at the world, various international documents related to CSR have been issued, such as the United Nations' "Guiding Principles on Business and Human Rights" and the "SDGs (Sustainable Development Goals)", the "Guidelines for Multinational Enterprises" of the Organization for Economic Co-operation and Development (OECD), and the "Declaration on Multinational Enterprises" of the International Labor Organization (ILO). Interest in CSR is increasing, such as revisions. In addition, the number of signatories to the United Nations Principles for Responsible Investment (PRI) has increased, and the trend towards ESG investment is accelerating, and social demands for corporate initiatives are expected to continue to strengthen in the future.

From a supply chain management perspective, companies are required to not only promote CSR in their own activities but also consider the CSR of their suppliers in order to meet the growing consumer interest in the entire business process, such as how the product is made and sold. For example, if you choose a company with forced labor, low wages, or health and safety issues as your supplier, you risk that it will later become a social problem. In today's global market, corporate customers and consumers are keenly interested in ensuring that the products they handle are not produced under unfair working conditions. If the poor working conditions of suppliers become a social problem, there is a risk that not only will raw materials be procured and production will stop, but a boycott will occur.

On the other hand, suppliers can be expected to make positive contributions to the business, such as steady compliance with laws and regulations, increased productivity through improved working conditions, and environmental initiatives, which can lead to positive contributions from stakeholders.

In this sense, we believe that mutual prosperity of the entire supply chain can only be achieved if all companies participating in a series of business processes consisting of development, production, sales, and service cooperate to respond to the needs of society.

However, supply chains in the electronics industry are long, complex, and global. In addition, there are significant differences in the understanding and approach of CSR activities among companies. As a result, many electronics companies face the challenge of not being able to maintain a common understanding and communication with their suppliers about CSR.

In order to clarify our sustainability policy in the supply chain, deepen mutual understanding with suppliers, and encourage proactive initiatives, JDI has established the "JDI Supply Chain Sustainability Promotion Guidebook". The attached "Check Sheet" is for diagnosing and evaluating the status of initiatives for the sustainability items covered in this guidebook. It is desirable for each company to address sustainability based on its own circumstances. In addition, JDI encourages its suppliers to refer to this guidebook and other relevant information to proactively promote sustainability activities.

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Part1 Code of Conduct

Companies must not only comply with the applicable laws and regulations of their own country and the country/region in which they operate but also respect international codes of conduct.

1 Compliance with laws and regulations and respect for international norms **p.13**

Companies must not only comply with relevant laws and regulations but also respect the human rights of workers by referencing international human rights standards, including the ILO Core Labor Standards.

2 Human Rights and Labor **p.13**

(2-1) Prohibition of Forced Labor p.14 (2-1)

Companies may not use labor obtained through forced, restraint, inhuman prison labor, slavery, or human trafficking.

Companies must also protect the right of workers to leave or terminate their employment on their own without forcing them to work at all.

(2-2) Prohibition of child labor and consideration for young workers p.15 (2-2)

Companies must not allow children under the minimum working age to work. Companies must also not engage young workers under the age of 18 in hazardous tasks that could compromise their health and safety, such as night shifts or overtime.

(2-3) Consideration for working hours

P.18 (2-3)

Companies must not force workers to work beyond the limits set by laws and regulations in the region where they work and must appropriately manage workers' working hours and holidays in consideration of international standards.

(2-4) Appropriate wages and allowances

P.18 (2-4)

Companies must comply with all applicable legal regulations for the compensation paid to workers (including minimum wage, overtime pay, and legally required allowances and wage deductions).

In addition, it is desirable to pay a level of wages (living wages) that can cover the necessities of life.

(2-5) Prohibition of Inhumane Treatment

P.19 (2-5)

Companies respect the human rights of workers and must not engage in inhumane treatment such as mental or physical abuse, coercion, or harassment, as well as acts that may cause such abuse.

In addition, dormitories provided by businesses for workers should have facilities to store personal belongings and valuables, as well as a sufficiently large personal space to enter and exit properly

(2-6) Prohibition of Discrimination

P.20 (2-6)

Companies must not discriminate against or harass them.

In addition, it is necessary to give appropriate consideration to requests from workers related to religious practices.

(2-7) Freedom of association and the right to collective bargaining

P.21 (2-7)

Companies must comply with local laws and regulations and respect workers' right to organize as a means of achieving labor-management negotiations, such as working conditions and wage levels.

3 Safety and Health

P.22 「3」

Companies must not only comply with relevant laws and regulations but also pay attention to the ILO's health and safety guidelines and make efforts to create a safe and hygienic working environment by minimizing injuries and physical and mental illnesses associated with workers' work.

(3-1) Occupational Safety

P.22 (3-1)

Companies must identify and assess risks to safety on the job and ensure safety with appropriate design, technology, and management measures.

Reasonable consideration is required, especially for pregnant women and mothers during the lactation period.

(3-2) Emergency Preparedness

p.23 (3-2)

Companies must prepare for emergencies such as disasters and accidents that harm human life and physical safety, identify the possibility of occurrence, create action procedures for emergency measures that minimize damage to workers and assets, install necessary equipment, etc., and provide education and training to ensure that such actions can be taken in the event of a disaster.

(3-3) Occupational accidents and occupational diseases

p.24 (3-3)

Enterprises must identify, assess, record, and report on the status of occupational accidents and diseases, and take appropriate countermeasures and corrective measures.

(3-4) Industrial hygiene

p.24 (3-4)

Companies must identify and assess the risks of workers' exposure to harmful biological, chemical, and physical effects in the workplace and manage them appropriately.

(3-5) Consideration for physically demanding work

p.24 (3-5)

Companies need to identify and evaluate physically demanding tasks and manage them appropriately to prevent them from leading to occupational accidents and illnesses.

Companies must assess the machinery and equipment used by workers for safety risks and implement appropriate safety measures.

(3-6) Safety measures for machinery and equipment

p.24 (3-6)

Enterprises must properly ensure the safety and health of the facilities provided for the lives of workers (dormitories, canteens, toilets, etc.).

(3-7) Safety and health of facilities

p.26 (3-7)

Dormitories should also ensure adequate emergency exits in case of emergencies.

(3-8) Health and Safety Communication

p.26 (3-8)

Companies must provide appropriate safety and health information, education and training in a language and manner that workers can understand about the various occupational hazards that workers may encounter.

In addition, there must be a system for feedback on safety-related opinions from workers.

(3-9) Workers' Health Management

p.26 (3-9)

Companies need to ensure that all employees are properly managed for their health.

Companies must actively address global environmental issues such as resource depletion, climate change, and environmental pollution, as well as consider local environmental issues that take into account ensuring the health and safety of people in the areas involved.

(4-1) Environmental Permits and Reporting

p.27 (4-1)

Companies must obtain the necessary permits and approvals for their business, register, and report in accordance with the laws and regulations of the location where the business is located.

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

p.27 (4-2)

Companies must strive to improve energy efficiency and engage in continuous reduction activities to reduce energy consumption and greenhouse gas emissions.

(4-3) Emissions to the atmosphere

p.28 (4-3)

Businesses must comply with relevant laws and regulations and implement appropriate measures to reduce the emission of harmful substances into the atmosphere.

(4-4) Water Management

p.28 (4-4)

Businesses must comply with legal regulations, monitor the source, use and discharge the water they use, and save water.

All wastewaters must be characterized, monitored, controlled, and treated as necessary before being discharged or disposed of.

They should also identify sources of contamination that may cause water contamination and ensure proper management.

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

p.28 (4-5)

Companies must promote reduce, reuse, and recycle by complying with laws and regulations and implementing appropriate management, and strive to make effective use of resources and minimize waste generation.

(4-6) Chemical substance management

p.28 (4-6)

Companies must comply with laws and regulations, identify, label, and manage chemicals and other substances that pose a risk to human health and the environment, and ensure that they are safely handled, moved, stored, used, recycled or reused, and disposed of.

Businesses must comply with all applicable legal regulations and customer requirements regarding the prohibition or restriction of the use of certain substances in their products.

5 Fair Trade and Ethics

(5-1) Anti-corruption

Companies must not only comply with laws and regulations but also conduct business activities based on a high level of ethics.

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

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

Businesses must not offer or tolerate promises, offers, or permits as a means of obtaining bribes or other unfair or improper advantages.

(5-3) Appropriate Disclosure of Information

Companies are required to disclose information about labor, health and safety, environmental activities, business activities, organizational structure, financial status, and business performance in accordance with applicable laws and regulations and industry practices.

Tampering records and false disclosure of information will not be tolerated.

(5-4) Respect for intellectual property

Companies must respect intellectual property rights and transfer technology and know-how in a way that protects intellectual property. It also needs to protect the intellectual property of third parties, such as customers and suppliers.

(5-5) Conduct fair business

Businesses must conduct fair business, competition, and advertising.

(5-6) Protection of Whistleblowers

Companies must protect the confidentiality of information related to the whistleblower and the anonymity of the whistleblower and eliminate retaliation against whistleblowers.

(5-7) Responsible mineral procurement

Enterprises must ensure that minerals such as tantalum, tin, tungsten, and gold in the products they manufacture cause serious human rights violations, environmental destruction, corruption, conflicts, etc. in conflict and high-risk areas, or that.

It is necessary to conduct due diligence to see if there is any involvement in the

6 Quality & Safety

p.31 「6」

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

(6-1) Ensuring product

p.31 (6-1)

Companies must design, manufacture, and sell products that meet the safety standards set by the laws and regulations of each country and ensure sufficient product safety, and fulfill their responsibilities as suppliers.

(6-2) Quality Control

p.32 (6-2)

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.

(6-3) Provision of accurate product

p.32 (6-3)

Businesses must provide accurate and non-misleading information about their products and services.

7 Information

p.32

Businesses need to prevent the leakage of sensitive and personal information and enhance information security. Companies need to take precautions against threats such as cyberattacks to prevent harm to themselves and others.

(7-1) Defense against cyber

p.32 (7-1)

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

(7-2) Protection of personal information

p.33 (7-2)

Companies need to properly manage and protect sensitive information they receive not only from themselves, but also from customers and third parties.

(7-3) Prevention of leakage of confidential information

p.33 (7-3)

In the event of a disaster in which the company or its business partners are affected by a large-scale natural disaster, it is necessary to prepare to resume production activities as soon as possible in order to fulfill its supply responsibilities, and to consider risk reduction by securing inventory and other measures to minimize the impact on supply to customers.

(8-1) Formulation and preparation of business continuity plans**P.34 (8-1)**

Companies need to identify and assess risks that hinder business continuity, scrutinize the impact on their business, take necessary precautionary measures in the medium to long term, and formulate a business continuity plan (BCP) that summarizes the status of these efforts.

Part 2 Establishment of a management system

A Establishment of a management

p.35 「A」

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

B Supplier Management

p.37

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

C Proper import and export control

p.38 「C」

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

D Establishment of a complaint handling mechanism

p.38 「D」

Companies need to create complaint mechanisms that are available to stakeholders, including workers, suppliers, and others, to prevent fraud in their own and supply chains.

E Disclosure of Initiative Status

p.39 「E」

Companies are required to disclose information in accordance with these guidelines and relevant laws and regulations.

Annex

Part 1 Explanation of the Code of Conduct

[Explanation of the Code]

In recent years, various laws, regulations, and policies related to the environment, human rights, and bribery have been enacted and introduced in various countries. Businesses must understand and adhere to these. Some laws and regulations may apply not only to your own country but also to outside the region. In addition, with the globalization of supply chains and markets, it is necessary to comply with laws and regulations not only within the company but also through the supply chain, as well as respect for international codes of conduct.

[Explanation of Terms]

1 Compliance with laws and regulations and respect for international norms **P.5 「1」**

An international code of conduct refers to the expectations of socially responsible organizations to behave as derived from customary international law, generally accepted principles of international law, or universally or almost universally accepted intergovernmental agreements (including treaties and agreements).

For example, the United Nations Guiding Principles on Business and Human Rights, the SDGs (Sustainable Development Goals), the OECD's Guidelines for Conduct for Multinational Enterprises, and the ILO's Declaration on Multinational Enterprises.

2 Human Rights and Labor **P.5 「2」**

[Explanation of the Code]

The so-called "workers" refer to those who work regardless of their employment or employment status, including full-time employees, temporary employees, employees, migrant workers, foreign workers, technical intern trainees, students, contract employees, direct employers, and other workers in their form of employment.

International human rights standards refer to include the Universal Declaration of Human Rights and the International Covenants on Human Rights at the United Nations, as well as the "Core Labor Standards" of the ILO.

【Background】

Globally, there were 40.3 million victims of modern slavery in 2016, and 16 million victims of forced labor in the private sector. * Liberation from forced labor is a basic human right linked to the right to freely choose work. Work should be commensurate with personal expectations and skills and should be done in a rewarding and human environment.

(*See: ILO World Estimates of Modern Slavery: Forced Labor and Forced Marriage (Japanese translation), 2017)

[Explanation of the Code]

It is prohibited to transfer, conceal, recruit, transfer or accept any person by threat, coercion, abduction, or fraud. At the same time, the cost of work is also considered forced labor

It is also prohibited to use the fee as a debt to perform forced labor.

There have been many reports of forced labor by migrant workers, especially foreign workers. When hiring foreign workers, before the worker leaves their home country, they must provide an employment contract stating the terms of employment in their native language or language that the worker can fully understand.

Obstructing the use of government-issued identification cards, passports, visas, work permits, or immigration applications (unless non-workers are required by law) from workers, or imposing unreasonable restrictions on workers' access to and within the facility is also an act that leads to forced labor.

[Explanation of Terms]

Forced labor refers to (involuntary) labor performed by a person under the threat of punishment or other reasons and against the person's free will. Elements of forced labor include:

- (1) exploitation of vulnerabilities (e.g., migrant workers' employment contracts are not in their native language;)
- (2) Deception (e.g., employment and working conditions are not properly explained.) It was replaced in the middle of recruitment.)
- (3) Isolation (e.g., working in a place where it is difficult to access and communicate from the outside.))
- (4) Threats and threats (e.g., you will be punished for complaining about your workplace.) When a worker offers to resign, he is required to pay a fine.)
- (5) Salary retention (e.g., delayed salary payments; Employers are forced to store and save part of their salary.)
- (6) Debt bondage (e.g., workers are in debt to pay high recruitment fees.)
- (7) Excessive overtime (e.g., overtime work that is more than statutory or labor-management agreements.))
- (8) Prohibition of movement (e.g., restriction of movement without reasons such as safety, health, or information security. The dormitory is constantly monitored by surveillance cameras.)
- (9) Physical or emotional abuse (e.g., violence, yelling, sexual harassment.)
- (10) Keeping the original identity card (e.g., the employer holds a passport, etc.))

Bondage or detention of labor refers to labor that cannot be freely separated. This is a high cost for workers

It also includes debt bondage, which is a state in which you are in debt to pay the recruitment fee and cannot leave your job until you repay it.

Exploitative refers to the use of a superior position to provide unfair treatment, while exploitative prisoner labor refers to the situation in which prisoners are forced to work and are not paid fair wages.

Slave labor is defined by the U.S. Department of State as a term that encompasses forced labor, human trafficking for sexual exploitation, etc. The UK Modern Slavery Act defines a state in which a vulnerable person is unjustly exploited under forced labor.

【Background】

(2-2) Prohibition of child labor and

p.5 (2-2)

There are still about 151.8 million children working in the world. 7,250 children engaged in dangerous work
About half of 10,000 people. One in five people in Africa and one in 13 people in Asia Pacific are engaged in child labor. This form of exploitation not only violates children's rights but makes economic growth vulnerable and inhibits equal development.

(Source: ILO/Tokyo2020 International Labor Standards and Sustainability-Friendly Procurement Handbook ~Toward the Realization of Decent Work in the Wake of the Tokyo 2020 Olympic and Paralympic Games~, 2019)

[Explanation of the Code]

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

Slavery or similar practices

Use, mediate, or provide children with prostitution, pornography, or obscene performances.

Use, mediation or provision of children for illicit activities, especially the production and trade of drugs

Work of a nature that may harm the health, safety, or morality of children, or work performed under such circumstances

ILO Recommendation 146 (minimum age) stipulates that workers under the age of 18 (including students) should be guaranteed satisfactory working conditions and receive special consideration, in particular the following:

Fair compensation based on the principle of "equal pay for work of equal value" 1 week including a ban on overtime to ensure sufficient time for education, training, rest, and leisure activities and

Strict limits on working hours per day

A minimum of 12 consecutive hours of overnight rest and weekly rest periods

Annual paid leave of a minimum of 4 weeks and in any case not shorter than what is allowed for an adult

Participation in a social security system that guarantees occupational accidents, health support, and various sickness benefits

Safety rules and adequate health, as well as proper education and supervision

(Source: ILO/Tokyo2020 International Labor Standards and Sustainability-Friendly Procurement Handbook ~Toward the Realization of Decent Work in the Wake of the Tokyo 2020 Olympic and Paralympic Games~, 2019)

Due diligence is also required to protect their rights.

[Explanation of Terms]

Child labor refers to activities or labor that, depending on their nature and performance situation, cause harm to the intellectual, physical, social and moral development of young people, make it impossible to attend school, force them to drop out of school, or force them to balance work and study, thereby impairing children's educational opportunities and healthy growth.

(Source: ILO/Tokyo2020 International Labor Standards and Sustainability-Friendly Procurement Handbook ~Toward the Realization of Decent Work in the Wake of the Tokyo 2020 Olympic and Paralympic Games~, 2019)

The minimum age for employment is defined in ILO Convention No. 138 (1973), which stipulates that the minimum age for employment or employment shall not be less than the age of completion of compulsory education and in no case is below 15 years

(As a transitional period, in developing countries with insufficiently developed economies and educational institutions, 14 years old can be established as the minimum working age). The age at which you can work also varies depending on the type of work. For hazardous work, all countries must have a minimum working age of 18. However, the following applies to

If you are engaged in such a business from the age of 16.

Prior consultations were held with domestic labor-management organizations, ensure that the safety, health, and morals of young people are well protected, and Adequate specific education or vocational training in the field of activity.

Minimum age to be employed or employed		
	Developed countries	Developing countries
Normal labor	15 years old	14 years old
Hazardous Operations	18 years old	18 years old
Light labor	13 years old	12 years old

(Source: ILO/Tokyo 2020 International Labor Standards and Sustainability-Friendly Procurement Handbook ~Toward the Realization of Decent Work in the Wake of the Tokyo 2020 Olympic and Paralympic Games~, 2019)

Hazardous work refers to:

Exposing children to physical, psychological, or sexual abuse

Work carried out underground, underwater, at dangerous heights or in confined spaces

Work that involves the use of dangerous machinery, equipment, and tools, or manual handling or transportation of heavy objects.

Work performed in an unhealthy environment (e.g., exposing children to hazardous substances, factors or processes, or temperatures, noise levels, or vibrations that are detrimental to the child's health)

Particularly difficult such as long hours of work, night work or work where children are unreasonably restrained on the employer's premises

Operations under the conditions

(Source: ILO Recommendation No. 190 "Child Labor in the Worst Forms")

【Background】

Numerous studies in business practices have found that worker overwork is clearly linked to decreased productivity, increased turnover, and increased injuries and illnesses.

[Explanation of the Code]

In accordance with the laws and regulations of each country, we will appropriately grant working hours, holidays, and breaks. We also take into account international standards.

For example, ILO Conventions No. 1 (1919) and Convention No. 30 (1930), which are international standards, stipulate that the weekly working hours shall not exceed 48 hours per week, including overtime hours, except in emergencies and emergencies (Japan has not ratified it). In addition, ILO Conventions No. 14 (1921) and Convention No. 106 (1957) stipulate that a minimum of one day (not more than 24 hours) of rest (not exceeding six consecutive days) is given every seven days.

(Japan has not ratified). ILO Conventions No. 1 and No. 30 are important treaties, but they are not necessarily suitable for today's current situation. On the other hand, Recommendation No. 116 (1963) has been issued, which stipulates the principle of a 40-hour work week (1947, not ratified by Japan), as a social standard to be achieved.

Also, some industry standards limit working hours, including overtime, at 60 hours per week.

[Explanation of Terms]

Proper management refers to:

The number of working days per year must not exceed the legal limit

The working hours per week, including overtime hours, (except for disasters and other unavoidable emergencies and emergencies) must not exceed the legal limit.

Granting the right to annual paid leave, birth-related leave, and childcare leave as stipulated by law

Giving rest time as stipulated by law

Conduct physical and mental health examinations to protect the health of workers.

[Explanation of the Code]

The minimum wage refers to the minimum wage stipulated by the wage-related laws and regulations of the country where the employer is located, and the employer must pay wages above the minimum wage. In addition to the statutory minimum wage, it is also desirable to consider the "living wage," which is calculated as the wage necessary to maintain a minimum standard of living, as a voluntary initiative by companies and others.

Unfair wage deductions can be considered unpaid wages. For example, the international standard for labor and human rights, SA8000, must ensure that pay cuts are not made for disciplinary purposes, with exceptions such as (1) disciplinary pay reductions are permitted by national law, and (2) agreed upon by freely negotiated collective agreements.

If you are, you will be allowed to take a pay cut for disciplinary purposes.

In addition, compensation for overtime work must be paid to workers at a rate higher than the normal hourly wage in accordance with local laws and regulations. When paying compensation, you must also provide a pay stub with information that confirms that the payment is appropriate.

[Explanation of Terms]

The minimum wage refers to the minimum wage stipulated by the wage-related laws and regulations of the country where you are located. This must be paid to the worker at the appropriate time without delay in accordance with the laws and regulations of the country where it is located.

A living wage refers to a wage level that meets international standards, meets the needs of workers and their families, allows them to live a social life, and satisfies the dignity of workers.

Unfair wage deduction refers to wage deductions that violate labor-related laws and regulations. For example, uniform fees, personal protective equipment necessary for work, uniform cleaning fees, etc. However, it does not include non-payment equivalent to non-working hours, such as tardiness or absence.

【Background】

(2-5) Prohibition of Inhumane Treatment

p.6 (2-5)

Emotional abuse, such as sexual harassment or verbal abuse, can become more serious because those around you are not aware.

[Explanation of the Code]

In addition to formulating disciplinary policies and response procedures, it is necessary to establish an internal reporting system (complaint handling mechanism) to understand the facts of inhumane treatment, and to disseminate and operate it to workers.

Ensuring an appropriate living environment for workers is necessary for both the human rights and health and safety aspects of workers, so it is explained in a separate explanation in paragraphs (3-7).

[Explanation of Terms]

Emotional abuse refers to the psychological and emotional harm caused by psychological violence against others, for example, through inhumane expressions, harassment, neglect, or self-esteem language.

Physical abuse refers to violence or working in harsh conditions.

Coercion refers to forcing the person to do an act he or she does not want by threatening him/her. For example, forcing them to work overtime.

Harassment refers to harassment or bullying that makes the recipient uncomfortable. Specifically, sexual harassment, sexual abuse, corporal punishment, mental and physical oppression, verbal abuse, and non-provision of basic physical comfort equipment (chairs, personal protective equipment, etc.). So-called sexual harassment, power harassment, maternity harassment, etc. also fall under harassment.

In addition, regarding harassment, for example, ILO Convention No. 190 (2019) defines "violence and harassment" as follows.

"Violence and harassment" in the world of work refers to certain unacceptable acts and practices or threats that are intended or likely to cause physical, mental, sexual, or economic harm, whether one-off or repetitive, and include gender-based violence and harassment.

"Gender-based violence and harassment" refers to violence and harassment that is committed directly against an individual on the basis of sex or gender, or that disproportionately affects a particular sex or gender, including sexual harassment.

(2-6) Prohibition of Discrimination

P.6 (2-6)

[Explanation of the Code]

There must be no conduct in wages, promotions, compensation, education, recruitment or employment practices that could lead to discrimination on the basis of race, color, age, sex, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, military service, protected genetic information, or marital status.

In addition, if a medical examination or pregnancy test undermines equal opportunity or fairness in treatment, it is a discriminatory act.

There are many causes of discrimination.

Race and skin color: Discrimination based on affiliation to a specific ethnic group, targeting minorities, indigenous peoples, tribal peoples, etc.

Sex: Biological characteristics, functions, and social differences between men and women. This also includes discrimination on the grounds of married or unmarried, marital relationships, family structure, and motherhood.

Religion: Discrimination on the grounds of being a member of a religion or expressing religious beliefs. It also includes discriminatory treatment of atheists.

Political views: views on policies, affiliation with a political party, political or socio-political stance, discrimination on the grounds of civic activity or moral qualities.

National origin: Discrimination based on place of birth, ancestry, or foreign origin. National or linguistic minorities, naturalized people, and descendants of foreign immigrants are targeted.

Social origin: Discrimination on the basis of social class, socio-occupational type, caste. Social origin can affect one's career.

(Source: ILO/Tokyo2020 International Labor Standards and Sustainability-Friendly Procurement Handbook ~Toward the Realization of Decent Work in the Wake of the Tokyo 2020 Olympic and Paralympic Games~, 2019)

The principle of non-discrimination in employment and occupation includes the principle of equal pay for men and women who perform work of equal value.

Included. According to ILO Convention No. 100 (Convention on Equal Remuneration for Male and Female Workers for Work of Equal Value), this principle applies to all remuneration paid by an employer to a worker, either directly or indirectly, in cash or in kind, for the reason of his employment, such as salaries, regular wages, and other basic expenses

(from Convention No. 100). To objectively determine the value of a job, it is necessary to take into account factors such as the components of the job, responsibilities, skills, effort, working conditions, and main results.

(Source: ILO/Tokyo2020 International Labor Standards and Sustainability-Friendly Procurement Handbook ~Toward the Realization of Decent Work in the Wake of the Tokyo 2020 Olympic and Paralympic Games~, 2019)

In addition, there is discrimination on the basis of age and disability, health status (especially HIV/AIDS), trade union membership, sexual orientation, etc.

In the United States, you should also consider the following factors:

Military Experience: U.S. law defines covered veteran status as a veteran and provides for employment promotion, accommodation, and protection. This is likely due to disability due to military service (post-traumatic stress disorder (PTSD)) and communication difficulties with other workers due to being treated as murderers.

*Information on veterans: <https://www.dol.gov/ofccp/regs/statutes/4212.htm>

Protected Genetic Information: The Genetic Information Nondiscrimination Act (GINA) defines genetic information as the result of a genetic diagnosis. It is listed as an element of discrimination because discrimination can be based on genetic information such as the potential risk of developing diseases.

*Information on the US law GINA: <https://www.eeoc.gov/laws/types/genetic.cfm>

(2-7) Freedom of association

P.6 (2-7)

[Explanation of the Code]

You must respect the rights of all workers who form and join a trade union of your choice, as well as the rights of workers who do not participate in or refrain from such activities. In addition, workers or their representatives shall be able to engage in collective bargaining in which they voluntarily and in good faith communicate with management regarding their opinions and concerns regarding working conditions and management practices without fear of discrimination, retaliation, intimidation or harassment.

[Explanation of Terms]

With regard to collective bargaining, ILO Convention No. 98 (1949) requires companies to recognize workers' representative bodies for the purpose of collective bargaining, promote voluntary negotiations between employers and workers, and include provisions on dispute resolution in collective agreements. Specific corporate actions are encouraged to:

Provide the necessary convenience for the formulation of effective collective agreements.

Enable a representative duly delegated by the worker to conduct negotiations with a management representative authorized to make decisions on negotiating matters.

Do not threaten or suggest retaliation with the aim of unduly influencing negotiations or preventing the exercise of the right to organize.

Provide the information you need for meaningful negotiations

If requested by the government, provide information on the project and respond constructively.

(Reference: ILO Tripartite Declaration of Principles on Multinational Enterprises and Social Policy (Paragraphs 47~63))

3 Safety and Health

p.6 「3」

[Explanation of the Code]

In addition to minimizing occupational injuries and illnesses, we recognize that a safe and hygienic work environment improves the quality of products and services, manufacturing consistency, as well as worker retention and motivation. It is also essential for companies to listen to workers and educate them to identify and solve health and safety issues in the workplace.

Widely recognized management systems, such as the ILO Guidelines on Occupational Health and Safety Management Systems (ILO-OSH2001) and ISO45001, have been referenced in the development of this Code and may provide useful additional information.

(3-1) Occupational

p.6 (3-1)

[Explanation of the Code]

It is necessary to identify hazards in the workplace, including the possibility of occurrence, and implement safety measures for workers. Examples of workplace hazards include human contact with chemicals, electricity and other energy sources, fires, vehicle accidents, and falls.

Safety measures include, for example: It is necessary to promote these mechanisms.

Identification and assessment of hazards, including the likelihood of occurrence

Design the right job site with hazard elimination and preventive maintenance in mind

Safety awareness activities (including handling of personal protective equipment)

In addition, it is necessary to protect pregnant women and mothers during lactation from dangerous conditions and to provide reasonable accommodations.

[Explanation of Terms]

Occupational safety risks refer to the potential risk of accidents and health hazards that occur during work, such as electricity or other energy, fire, vehicles and moving objects, slippery or tripping floors, falling objects, etc.

Appropriate design, technology, and management measures

(1) Elimination of risk factors or replacement with safe ones, (2) Engineering controls (e.g., monitoring of dangerous areas by sensors, locking off of power sources supplied to machinery and equipment (lockout)), (3) Operational management (e.g., installation of tags clearly stating that the operation of energy shut-off devices is prohibited during power source shut-off (tagout)), (4) Provision of personal protective equipment (e.g., protective equipment such as protective glasses, hard hats, gloves, etc.), which refers to the elimination or reduction by gradual control.

Reasonable accommodations for pregnant women and breastfeeding mothers include lifting/moving heavy objects, exposure to infectious diseases, exposure to lead, exposure to toxic chemicals, working in overexerted or burdensome positions, exposure to radioactive materials, threats of violence, long working hours, extreme heat, excessive noise, etc.

In addition, when workers need to breastfeed their children during the first year after giving birth, it is desirable to take measures such as providing appropriate rest periods for breastfeeding or pumping and a safe and clean place out of view of colleagues or the general public.

(3-2) Emergency

P.7 (3-2)

【Background】

The entrances and exits that serve as evacuation routes may not be able to be used in an emergency due to locks or obstacles. In fact, there have been accidents in which workers were unable to escape the building during a fire and died due to inhalation of flames and smoke, or falling or jumping. For this reason, it is important to secure evacuation routes that allow for reliable evacuation, and to implement a system and sufficient evacuation drills to ensure that all workers can evacuate.

[Explanation of the Code]

Emergency measures include, for example, emergency reporting, notification to workers, clarification of evacuation methods, installation of evacuation facilities, clear and unobstructed exits, appropriate exit equipment, stockpiling of emergency medical supplies, installation of fire detection systems, and fire extinguishers.

- It refers to the installation of fire doors and sprinklers, securing external communication means, and developing recovery plans.

It is also necessary to thoroughly disseminate information within the workplace. This includes, for example, providing emergency response education (including evacuation drills) to workers, storing and posting emergency response procedures and other easily accessible places in the workplace.

(3-3) Occupational accidents and occupational diseases

P.7 (3-3)

【Background】

Worker safety and health should be kept in mind, and work-related accidents should also be considered.

[Explanation of the Code]

Occupational accidents and illnesses involving workers should be recorded, necessary treatment provided and corrective measures should be carried out, including investigating the accident, identifying and eliminating the cause and implementing, managing and reporting preventive measures.

It is also necessary to report on the provisions for the promotion of workers' return to work and their implementation.

[Explanation of Terms]

Appropriate measures refer to systems and measures that enable workers to report incidents, classify and record accidents and diseases, provide treatment as needed, investigate disasters and diseases, implement corrective measures to eliminate the cause, and promote workers' return to work. It also includes the implementation of necessary procedures for the government in accordance with the provisions of laws and regulations, and enrollment in workers' compensation insurance.

(3-4) Industrial hygiene

p.7 (3-4)

[Explanation of the Code]

The potential for hazards must be eliminated or controlled by appropriate design, engineering, and operational controls. If such means prevent the hazard from being properly managed, workers are provided with appropriate personal protective equipment that is properly maintained and managed and must be used correctly.

(3-5) Consideration for physically demanding work

p.7 (3-5)

[Explanation of Terms]

Harmful effects include poisonous and deleterious substances, radiation, and substances that cause chronic diseases (lead, asbestos, etc.). These can also be present in conditions such as soot, vapors, mist, and dust. In addition, if the noise and odor are significant, they are considered harmful to the human body.

Appropriate management refers to, for example, the establishment and operation of management standards, the provision of appropriate education and training to workers, and the provision of appropriate personal protective equipment.

[Explanation of Terms]

Physically demanding tasks include heavy work such as manual raw material handling and manual heavy lifting, as well as long-term repetitive and continuous tasks such as force-intensive assembly and data entry and working in unnatural postures for long periods of time.

Proper management includes creating an ergonomic working environment, taking regular breaks, providing work aids, and sharing and cooperating with multiple workers. (It is also useful to consider preparing the surrounding environment so that people can move correctly and efficiently and reduce accidents and mistakes.)

Ergonomics refers to the field of research that designs objects and environments so that humans can use them in the most natural motion and state possible and use them in actual design. (This includes preparing for the surrounding environment so that people can move correctly and efficiently and reduce accidents and mistakes.)

(3-6) Safety measures for machinery and equipment

p.7 (3-6)

[Explanation of Terms]

Appropriate safety measures refer to the management to prevent accidents and health hazards that occur during work, for example, the adoption of safety mechanisms called fail-safe, fool-proof, interlocking, tagout, etc.

This includes the installation of safety devices and protective walls, as well as the implementation of regular inspections and maintenance of machinery and equipment.

(3-7) Safety and health of facilities

P.7 (3-7)

[Explanation of the Code]

To ensure health and safety, it is necessary to keep the facilities clean and hygienic, as well as keep the following points in mind.

Drinking water: water quality testing in compliance with laws and regulations, safe drinking water (e.g. water servers)

Provision of hygienic meals: Clothing and health checkups for cooks, pest control, temperature control of food, cafeteria business certifications, etc.

Toilets: Sufficient number of clean toilet facilities for the number of people, provision of toilet paper, etc.

Dormitory: fire protection, emergency evacuation routes (exits), safe storage facilities for personal belongings (lockers provided), sufficient room size (estimated 3.3 square meters or more per person), ventilation, temperature control, adequate lighting, etc.

(3-8) Health and Safety Communication

P.7 (3-8)

[Explanation of the Code]

Appropriate workplace health and safety information and education and training must be provided for any identified workplace hazards to which workers will be exposed, including but not limited to mechanical, electrical, chemical, fire, and physical hazards.

Health and safety information shall be clearly posted in the facility or placed in a location that can be identified and accessed by workers. It should also be provided in a language that workers can understand.

Education and training should be provided to all workers before the start of work and regularly thereafter. They are also encouraged to raise safety concerns from the workers' side. Education and training include the correct use of personal protective equipment, emergency response, safe operation of machinery, and preparation before entering a hazardous environment.

Paragraph 43 of the ILO Declaration on Multinational Enterprises contains a description of the cultivation of a culture of prevention based on labor-management dialogue.

(3-9) Workers' Health Management

P.7 (3-9)

[Explanation of Terms]

Appropriate health management refers to the prevention and early detection of diseases among employees by conducting health checkups and other measures at least at the level stipulated by laws and regulations.

At the same time, it is necessary to give due consideration to the prevention of health disorders caused by overwork and mental health care.

[Explanation of the Code]

Environmental responsibility refers to ensuring the health and safety of not only workers but also the people involved in the region and promoting measures to minimize negative impacts on local communities, the environment, and natural resources.

ISO14001 and other widely recognized management systems have been referenced in the development of this Code, from which additional useful information may be derived.

(4-1) Environmental Permits and Reporting

P.8 (4-1)

[Explanation of the Code]

For example, in Japan, the obligation to establish managers who have obtained certain qualifications stipulated by laws and regulations includes the Waste Disposal Act (Special Management Industrial Waste Management Manager), the Energy Conservation Act (energy managers in factories that use a certain level of energy or higher), and the Air Pollution Control Act (pollution prevention managers in factories that emit chemicals, dust, and soot).

In addition, depending on the chemical substances used in the business, there is an obligation to appoint a person in charge of poisonous and deleterious substances management, specified chemical substance management, hazardous materials management, etc.

Depending on the business content and factory location, it may be necessary to obtain government permits and permits related to environmental impact assessments and hazardous materials handling facilities.

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

P.8 (4-2)

[Explanation of the Code]

Improving energy efficiency means minimizing energy consumption and associated with Scope 1, Scope 2, and Scope 3 greenhouse gases (GHGs) that need to be tracked and documented on a facility-by-site basis.

[Explanation of Terms]

There are various greenhouse gases, but they specifically refer to the six groups of substances defined in the Kyoto Protocol: carbon dioxide, methane, nitrous oxide, HFC, PFC, and SF6.

Continuous reduction activities include setting voluntary reduction targets for six types of greenhouse gases, formulating plans, and ensuring their implementation.

Scope 1 refers to direct emissions of greenhouse gases from the operator's own business, Scope 2 refers to indirect emissions from the use of electricity, heat, and steam supplied by other companies, and Scope 3 refers to indirect emissions from the entire value chain other than the rest of the value.

(4-3) Emissions to the atmosphere

P.8 (4-3)

[Explanation of the Code]

Harmful substances released into the atmosphere include volatile organic compounds, aerosols, corrosive substances, particulates, ozone-depleting substances, and byproducts of combustion. These substances are discharged after analyzing and monitoring their contents prior to discharge, and taking necessary controls and measures based on the results. Measures also include regular monitoring of the handling of emitted substances and the performance of the treatment system.

(4-4) Water Management

P.8 (4-4)

[Explanation of the Code]

Water management involves monitoring water sources, use, and discharge, conserving water, and managing pollution pathways. The management of contamination pathways should be that the on-site waterways are free of contamination and protected from contamination (e.g. near storm drains).

There is no accumulation of stagnant water or grease), and emergency response equipment (e.g., shut-off valves and shut-off valves to stop the leakage or outflow of water supply or sewage due to factory disasters or natural disasters, etc., and rainwater basins, sewage basins, and reservoirs alone in case of leakage or overflow are considered insufficient).

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

P.8 (4-5)

[Explanation of the Code]

Even if the disposal of substances that have not been identified as hazardous, it is necessary to implement a systematic approach to identify and manage waste, dispose of or recycle responsibly, and strive to reduce it.

Material disposal must be done in compliance with and minimize legal regulations of the location of the business, so as not to waste natural resources.

Some of the means to do this include changing production equipment at the source, substituting materials, reusing resources, and recycling. In order to comply with laws and regulations, we will set goals and work on our own. Natural resources refer to water, fossil fuels, minerals, and products of primary and primary forests. The prevention of environmental pollution leads to the conservation of natural resources and is closely related to the sustainability of the planet.

(4-6) Chemical substance management

P.8 (4-6)

[Explanation of the Code]

For example, in the country, it must be managed under the Chemical Investigation Law, the Poisonous Poison Law, the Safety and Health Law, the Fire Service Law, and the PRTR. In addition, chemical substance management must be taken into account during the manufacturing process.

(4-7) Management of

P.9 (4-7)

[Explanation of the Code]

For the substances contained in the product, customer requirements should also be taken into account.

Comply with the laws and regulations of the country where the product is sent.

In the final product, you must also be responsible for the components that are incorporated into the product. Therefore, upstream companies need to provide the necessary information to downstream companies.

For example, when exporting to the EU, relevant laws and regulations include the RoHS directive and the REACH regulation. It is also necessary to consider the substances that are added, mixed, or adhered to during the manufacturing process.

5 Fair Trade and Ethics

P.9 「5」

[Explanation of the Code]

It is necessary to comply with the laws and regulations of not only Japan but also the countries in which we operate. In addition, management itself must become a norm, and all employees must conduct business with a high sense of ethics and gain the trust of all stakeholders.

(5-1) Anti-corruption

P.9 (5-1)

[Explanation of the Code]

We have a policy that prohibits bribery, excessive gifts and entertainment, corruption, extortion, and embezzlement, and must be adhered to on an ongoing basis.

Continuous compliance requires not only the formulation of policies, but also the implementation of appropriate education and training for employees and the continuous enforcement of the policy.

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

P.9 (5-2)

[Explanation of the Code]

It is prohibited to give or receive, including promises or offers, directly or indirectly, anything of value (money, goods, services, etc.) in order to obtain business or obtain improper benefits.

Compliance with anti-corruption of laws and regulations requires clarification of policies and procedures and the implementation of monitoring.

(5-3) Appropriate Disclosure of Information

P.9 (5-3)

[Explanation of the Code]

Companies need to proactively provide and disclose information to their stakeholders.

The information provided and disclosed to stakeholders includes information on business activities, financial status, business performance, ESG (environmental, social, and governance) information, risk and incident information (e.g., damage caused by large-scale disasters, adverse effects on the environment and society, discovery of serious violations of laws and regulations, etc.), and supply chain information. In addition, we disclose material risk information on a case-by-case basis and disseminate it to customers as an example of proactive information provision. Tampering records, false representation, or false disclosure of such information will not be tolerated.

[Explanation of the Code]

The protection of intellectual property includes not only the company, but also third parties such as customers and suppliers.

[Explanation of Terms]

Intellectual property includes not only intellectual property rights but also trade secrets and technical know-how.

Intellectual property rights are rights stipulated by laws and regulations, including patent rights, utility model rights, design rights, trademark rights, copyrights, etc.

[Explanation of the Code]

Companies must comply with laws and regulations related to fair trade, including fair competition and subcontracting laws, and must not engage in illegal acts such as restrictive competition agreements such as cartels, unfair trading methods, or misrepresentation.

It is also necessary to eliminate forces that threaten the order and safety of civil society and comply with laws, ordinances, and all other social norms. When displaying and advertising catalogs related to products and services, care must be taken not to use expressions that are different from the facts, expressions that mislead consumers or customers, and not to contain content such as slander or infringement of rights of other companies or individuals.

[Explanation of Terms]

Fair competition refers to the promotion of fair and free competition by complying with laws and regulations related to fair competition and fair trade stipulated in each country and region and refraining from engaging in illegal acts such as cartels and other anti-competition agreements, unfair trade methods, and misrepresentations.

Fair advertising is advertising that does not have an improper purpose or provides information that is not true.

[Explanation of the Code]

The complaint handling mechanism available to stakeholders, including employees of the Company and its suppliers, must ensure confidentiality of the contents of the complaint and the anonymity of the whistleblower, and protect against disadvantageous treatment such as retaliation by companies and individuals because of the report.

[Explanation of Terms]

Reporting refers to filing a complaint regarding a violation of Part 1 of the Code of Conduct (misconduct, human rights violations, environmental pollution, etc.) related to a company's business activities, supply chain, local communities, etc. A whistleblower is an employee or officer of a company, a person who has been harmed, an organization or an agent or other stakeholder, etc., who is aware of inappropriate behavior related to the company's business activities and makes a report.

Disadvantageous treatment refers to acts that harm the working environment, including harassment, and changes in working conditions such as unfair personnel evaluations, compensation, dismissal, and reassignment.

(5-7) Responsible mineral procurement

P.9 (5-7)

[Explanation of the Code]

Due diligence on responsible mineral sourcing involves formulating a policy and communicating your expectations to your suppliers.

(including them in contracts where possible), which refers to identifying and assessing supply chain risks and developing and implementing strategies to address the identified risks.

Regarding due diligence in responsible mineral sourcing, the internationally recognized OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict and High-Risk Areas outlines the following five steps:

Step1: Build a robust management system

Step2: Identify and assess risks in the supply chain

Step3: Develop and implement strategies to respond to identified risks

Step 4: Conduct an independent third-party audit of smelter/refinery due diligence

Step5: Annual report on supply chain due diligence

Relevant laws and regulations include Section 1502 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and the European Commission's Conflict Minerals Regulations.

6 Quality & Safety

P.10 「6」

[Explanation of the Code]

Inaccurate information about the safety and quality of products and services can have a significant impact on not only customers but also various stakeholders throughout the supply chain.

ISO9001 and other widely recognized management systems have been referenced in the development of this Code and may provide additional useful information from them.

(6-1) Ensuring product safety

P.10 (6-1)

[Explanation of the Code]

When designing a product, it is necessary to design a product that can ensure sufficient product safety and consider the responsibility of the manufacturer to sell it. In addition, regarding product safety, it is necessary to consider not only legal compliance, but also the safety that should normally be in place.

Laws and regulations related to product safety include the Electrical Appliance and Appliance Safety Act, the Consumer Product Safety Act, and the Household Products Quality Labeling Act in Japan. Safety standards are stipulated by laws and regulations, JIS, etc.

is. And there is UL, BSI, CSA and so on as overseas safety standards.

To ensure product safety, it is useful to manage traceability (history of materials, parts, processes, etc.) and to respond quickly to solve problems.

(6-2) Quality Control

P.10 (6-2)

[Explanation of the Code]

Companies must 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) Provision of accurate

P.10 (6-3)

[Explanation of the Code]

Businesses need to provide accurate and non-misleading information about their products and services to their customers and consumers. You must not provide false or altered information.

[Explanation of Terms]

Accurate information means, for example:

The specifications, quality, and handling methods of the product or service must be accurate.

Information such as the substances contained in the parts and components used in the product must be accurate.

7 Information Security

P.10 「7」

[Explanation of the Code]

With the development of advanced information and communication societies in recent years, information management has become increasingly important. Poor information management, such as confidential information and personal information leakage, can have a huge impact on various stakeholders, including the company and its customers, as well as the supply chain.

ISO27001 and other widely recognized management systems have been referenced in the development of this Code, from which additional useful information may be derived.

(7-1) Defense against cyber attacks

P.10 (7-1)

[Explanation of the Code]

Companies need to prevent problems such as information leakage, falsification, and information system outages due to cyberattacks. Attackers can expand their attack surface from the customer and business partner information they obtain, so the damage is not limited to the company. The devices that are being targeted by cyberattacks are traditional PCs and servers

Not only that, but it is also spreading to industrial systems and devices called the Internet of Things (IoT), and it is necessary to take measures against these devices as well. It's also important to have a plan in order to recover quickly if you suffer from a cyberattack. Countermeasures include, for example, backing up important data and redundant servers and data centers.

[Explanation of Terms]

Cyber-attacks refer to acts that cause damage such as the leakage of trade secrets such as personal information, customer information, business partner information, and confidential information, or the encryption of important files, for example, through malware infection through targeted emails or directing to malicious sites.

(7-2) Protection of personal information

P.10 (7-2)

[Explanation of the Code]

Personal information from suppliers, customers, consumers, employees, etc. must be handled with caution in compliance with relevant laws and regulations in each country. We need to collect, store, modify, transfer, share, and otherwise process personal information to the extent necessary to achieve the identified purposes of use.

[Explanation of Terms]

Personal information refers to information about a living individual that can identify a specific individual by name, date of birth, or other descriptions contained in the information (including information that can be easily collated with other information and thereby identify a specific individual).

Appropriate management refers to the establishment and operation of a general management system for personal information, including the creation of norms and policies to be followed by workers, etc., and the planning, implementation of measures, audits, and reviews in accordance with them.

Adequate protection refers to not obtaining, using, disclosing or divulging personal information unlawfully or unjustly.

(7-3) Prevention of leakage of confidential information

P.10 (7-3)

[Explanation of the Code]

Companies need to establish appropriate mechanisms and management systems to manage confidential information received from themselves and from third parties. This includes setting information management levels and employee education and training.

[Explanation of Terms]

Confidential information generally refers to information disclosed by means of documents (including electromagnetically or optically recorded data information) that are agreed to be confidential, or information that is disclosed orally after notifying that it is confidential.

Appropriate management refers to the establishment and operation of a general management system for confidential information, including the creation of norms and policies that workers and others must comply with, and the planning, implementation of measures, audits, and reviews in accordance with them.

Adequate protection refers to not obtaining, using, disclosing or leaking sensitive information unlawfully or unjustly.

[Explanation of the Code]

Large-scale natural disasters such as earthquakes and typhoons, as well as terrorism and riots, infectious diseases, and accidents, can have a significant impact on business continuity. Businesses need to prepare for such events, make proper preparations, and be the first to resume production activities to minimize the impact on their supply chains.

ISO22301 and other widely recognized management systems have been referenced in the development of this Code, from which additional useful information may be derived.

(8-1) Formulation of Business Continuity Plan

P.11 (8-1)

[Explanation of the Code]

Risks that hinder business continuity include large-scale natural disasters (e.g., earthquakes, tsunamis, floods, heavy rains, heavy snowfall, tornadoes) and related power outages, water outages, traffic disruptions, accidents (e.g., fires, explosions), the spread of diseases such as widespread infectious diseases and infectious diseases, terrorism and riots, etc.

The necessary proactive measures require a local recovery strategy to defend, mitigate, and recover from the expected damage to individual elements of the production site. It is also important to strive to secure alternatives that assume that recovery from damage caused by damage will be prolonged.

In the event of an actual business shutdown, it is necessary to develop a manual for early recovery of the business according to the content described in the BCP and provide continuous education and training to employees to respond to actual disasters.

[Explanation of Terms]

A business continuity plan (BCP) is a plan that considers in advance how quickly the company can resume production activities in order to fulfill its supply responsibilities in the event that the company or its business partners are affected by a large-scale natural disaster. A manual for early business recovery is from formulation to activities for recovery and completion of restoration

Part 2 Explanation of the construction of the management system

Establishment of a management system

A Establishment of a management system **P.12 「A」**

[Explanation of the Code]

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

Are you complying with legal regulations and customer requirements related to your business and products?

Does it match the content described in these guidelines?

Are you identifying and mitigating risks related to the content described in these guidelines?

Can these be expected to lead to continuous improvement?

[Explanation of Terms]

The management system is to establish a system for continuous improvement through Plan-Do-Check-Action (PDCA) regarding policy compliance, implementation system, corrective action, and stakeholder engagement. This is not necessarily intended to be certified. The management system also includes:

Corporate Commitment

Accountability and responsibility of management

Legal requirements and customer requirements

Risk Identification and Risk Management

Improvement Goals

Education & Training

Communication

Worker feedback, participation, and complaints

Assess and audit identified risks

Corrective Action Process

Documentation and Documentation

For example, there are the following typical management systems:

Health and Safety Management System: ILO Guidelines on Occupational Health and Safety Management Systems, ISO 45001, etc.

Environmental management systems: ISO 14001, Eco Action 21, etc.

Quality Management System: ISO 9000 Family, IATF16949, ISO13485 etc.

Information security: ISO/IEC 27001, etc.

Business continuity plan: ISO22301, etc.

Guidelines related to corporate conduct and diligence include the OECD "OECD Due Diligence Guidance for Responsible Business Conduct."

This guidance describes the following six processes:

Integrate RBC into corporate policies and management systems

Identify the actual and potential negative impacts on the RBC challenge

Stop, prevent, and mitigate negative impacts

Track implementation and results

Communicate how you dealt with the impact

Outline how to implement corrective actions where appropriate

Due diligence is the process that companies should implement to identify, prevent, and mitigate actual and potential negative impacts on their business, supply chain, and other business relationships, as well as to be accountable for how they address these negative impacts. Effective due diligence should be supported by efforts to integrate responsible business conduct (RBC) into corporate policies and management systems and aims to ensure that companies can remediate negative impacts that cause or contribute.

(Source: OECD "OECD Due Diligence Guidance for Responsible Business Conduct (Japanese translation)")

With regard to due diligence in the labor sector, the ILO Declaration on Multinational Enterprises stipulates the following, emphasizing stakeholder engagement (the process by which companies actively engage with stakeholders through dialogue and other means to achieve mutually acceptable results in the process of fulfilling their social responsibilities) and harmonization with the development of host countries.

Section (e): Enterprises, including multinational corporations, should identify and assess the actual or potential adverse human rights impacts that they may be involved in through their activities or as a result of their business relationships in order to measure human rights risks. This process should include meaningful consultations with relevant stakeholders, including workers' organizations, as well as the size of the companies concerned and the nature and content of their operations, as well as potentially affected groups. In order to achieve the objectives of the Declaration of Multinational Enterprises, in this process, attention should be given to freedom of association, the right to collective bargaining, and the central role played by industrial relations and social dialogue as an ongoing process.

Section: Multinational corporations should give due consideration to the general policy objectives established in the countries in which they operate. Its activities should be consistent with the national legislation of the country and in harmony with the country's development priorities, social goals, and national structure. To this effect, the relationship between multinational corporations, governments and, where appropriate, domestic relations

Consultations should be held with employers and workers' associations.

(Source: ILO Tripartite Declaration of Principles on Multinational Enterprises and Social Policy)

B Supplier Management

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[Explanation of the Code]

Companies are required to take the same responsibility not only for themselves but also for their supply chain CSR responses. Therefore, you need to communicate the requirements of Part 1 Code of Conduct to suppliers to monitor compliance and encourage improvement.

When managing the supply chain, Chapter 2 of the ILO/Tokyo 2020 International Labor Standards and Sustainability Procurement Handbook is a good reference. The handbook specifically sets out the methods of supply chain management processes, as well as points to note and recommendations in each process, in order to promote the implementation of sustainable supply chain management in accordance with international labor standards, especially with regard to labor and human rights aspects.

Supply chain management system (mindset of the person in charge, etc.)

Process for Conducting Human Rights and Labor Due Diligence for New Suppliers, etc.

Preliminary survey→ on-site verification process→ agreement on action plan→ contract signing and monitoring

Assessment of Human Rights and Labor Risks

Example of risk indicators, factors, and questions for suppliers

Dialogue and communication with suppliers

The content and methods of discussion in the dialogue process, the audience and techniques of the interview

Confirmation of occupational health and safety at the site

Approach to third parties on labor issues

Points of dialogue with labor unions, employers' groups, NGOs, etc., sources of information, etc.

(Source: ILO/Tokyo2020 International Labor Standards and Sustainability-Friendly Procurement Handbook ~Toward the Realization of Decent Work in the Wake of the Tokyo 2020 Olympic and Paralympic Games~, 2019)

[Explanation of Terms]

Supply chain refers to all connections, including staffing agencies, contractors, etc., not only from the raw material stage to the delivery of products and services to consumers, regardless of the division of roles between individual companies.

[Explanation of the Code]

When it comes to imports and exports, there are various laws and regulations in each country, and it is necessary to understand and comply with them.

Technology and goods regulated by laws and regulations refer to parts, products, technologies, equipment, software, etc. that are subject to import and export under laws and regulations based on international agreements (such as the Wassenaar Arrangement).

In addition, regarding imports and exports, it may be necessary to obtain a permit from a supervisory authority.

[Explanation of the Code]

In order to comply with Part 1 Code of Conduct, it is important to accept reports from stakeholders, including workers and suppliers, in addition to due diligence, and to establish a complaint handling mechanism to respond, correct, and remedy victims, and to address problems as an ongoing process. If it is difficult to build it yourself, one way is to participate in a collective complaint mechanism.

When it comes to handling complaints, it is essential to engage and engage in dialogue with whistleblowers and other stakeholders. In order for the complaint handling mechanism to function effectively, it is also useful to promote understanding among stakeholders who may be whistleblowers, conduct awareness surveys to confirm the level of understanding, and participate in continuous improvement through advice and suggestions from relevant parties and experts. Disclosure of information about whistleblowing is also important to increase transparency and gain credibility in the mechanism.

Principle 31 of the UN Guiding Principles on Business and Human Rights requires the following requirements for grievance mechanisms:

Justified

Accessible

Predictable

There is fairness

Transparent

Comply with internationally recognized human rights

Become a continuous source of learning

Based on Engagement and Dialogue

[Explanation of Terms]

The complaint handling mechanism is a complaint mechanism in which the person concerned reports suspected violations of the Code of Conduct in Part 1 and corrects them.

It refers to a mechanism that encourages people. For example, a reporting desk such as guidelines, telephones, emails, writing on a website, a reporting app, and an external organization entrusted by the reporting desk are used.

A collective complaint mechanism is a mechanism operated by industry associations and other organizations that multiple companies can participate in.

Complaints must be anonymous. In handling complaints, you must not treat the whistleblower unfavorably.

For example, a reference box, telephone, e-mail, and reporting point such as an external organization are used.
(See 5-6)

E Disclosure of Initiative Status

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[Explanation of the Code]

Companies are required not only to disclose information as stipulated by laws and regulations, but also to stakeholders, including customers, about their efforts to comply with this Code of Conduct.

Information disclosure media includes CSR reports and sustainability reports through our own website and print media.

Guidelines for reference include the GRI Standard, the Ministry of Environmental Reporting Guidelines, etc.

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