



Kureha Group Supply Chain CSR Guidelines

April 2024

Kureha Corporation

Introduction

The Kureha Group has established the Kureha Group Procurement Policy, and has compiled items that the Group and its suppliers should adhere to in order to fulfil their social responsibility within the supply chain and contribute to the development of a sustainable society based on our corporate philosophy into the Kureha Group Supply Chain CSR Guidelines.

Viewing items in this guidelines as important items that should be adhered to when conducting business, the Group would like regular checks to be made of the state of related initiatives. The Group requests that all suppliers gain an understanding of these guidelines and promote related initiatives.

Composition and Position of the Kureha Group Supply Chain CSR Guidelines

The Kureha Group Supply Chain CSR Guidelines consists of ten sections. The "Respecting Laws and Internationally Recognized Standards," "Human Rights and Labor," Health and Safety," "Environment," "Ethics, Quality and Safety," "Information Security," "Business Continuity Planning," and "Coexistence with Local Communities" sections provide an explanation of concrete CSR items and standards related to the particular topic, and the "Constructing management system" section offers an explanation of the appropriate system for managing compliance with these guidelines.

Furthermore, these guidelines reflect requests by the Group's corporate customers, and were created based on JEITA Responsible Business Conduct Guidelines Ver. 1.1 and using the Responsible Business Alliance Code of Conduct Ver. 7.0, and GCNJ (Global Compact Network Japan) Sustainable/CSR Procurement Self-Assessment Questionnaire Ver. 1.1 as reference.

See Annex 1, Section 1: "Description of Code of Conduct" of JEITA Responsible Business Conduct Guidelines, the main reference source for these guidelines, for a detailed explanation of the guidelines.

It can be downloaded from the following URL. (Ver. 1.0 is available in English.)

<https://www.jeita.or.jp/cgi-bin/public/detail.cgi?id=788&cateid=1>

Kureha Group Procurement Policy

The Kureha Group is committed to contributing to the development of a sustainable society by providing products and services that help solve social issues and, at the same time, fulfilling our social responsibility throughout the supply chain. In our procurement activities, we aim to conduct responsible procurement in accordance with the following policies based on this basic concept.

1. Compliance with Laws and Regulations

In its procurement activities, the Kureha Group complies with the relevant laws, regulations, social norms, and spirit of the relevant laws and regulations of each country and region in which it operates.

2. Fair Procurement Activities

The Kureha Group conducts fair and open procurement activities both domestically and internationally. We prohibit restrictions on free competition and bribery, and ensure transparency of procurement activities through appropriate procedures.

We select our suppliers fairly, based on a rational economic analysis of quality, price, supply capability, technical capability, and other capabilities and reliability, as well as initiatives to improve the global environment and social sustainability.

3. Cooperation with suppliers

The Kureha Group collaborates with suppliers to continually maintain and improve quality, preserve the global environment, and respect human rights.

Kureha Group Supply Chain CSR Guidelines

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1. Respecting the Laws and Internationally Recognized Standards

RBA: Introduction, JEITA: Respecting the Laws and Internationally Recognized Standards

Companies must respect internationally recognized standards in addition to complying with the laws and regulations of their home country as well as countries and regions where they conduct business.

[Explanation]

Internationally Recognized standards refer to expectations in the behavior of a socially responsible organization, guided by customary international law, generally-accepted principles of international law, and intergovernmental agreements that are universally or near-universally accepted (including conventions and treaties). For example, this corresponds to documents such as the Guiding Principles on Business and Human Rights and Sustainable Development Goals (SDGs) of the United Nations, the Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD), and the MNE Declaration (Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy) of the International Labour Organization (ILO).

The Kureha Group signed the UN Global Compact in 2023. The Group will continue to support the ten principles of the Global Compact and strive to achieve a sustainable society.

2. Human Rights and Labor

RBA:LABOR, JEITA:Human Rights and Labor, GCNJ:Human Rights/Labor

Referring to international human rights standards, such as the UN's International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the Group respects the rights of labor.

2-1. Prohibiting Forced Labor

Companies must not use labor obtained by forced, bonded, exploitative prison labor, slavery, or human trafficking.

Companies also must not force to work, and must keep the right of workers to terminate employment.

[Explanation]

Companies are prohibited from transporting, concealing, employing, transferring, and

receiving people by means of threat, coercion, abduction, or deceit. Furthermore, workers having to pay a fee to work is considered force labor.

Forced work to pay off such a fee is also prohibited. Other acts that lead to forced labor include hindering workers from using their government-issued identification, passport/visa, work permit, or immigration application (except when the law stipulates that someone other than the worker retain such documents) by means of concealment or confiscation, or imposing limitations on worker entry/exit to facilities or movement within facilities.

2-2. Prohibiting Child Labor and Respecting the Rights of Young Workers

Companies must not allow children who are under the minimum age for employment. Furthermore, companies must also not allow young workers under the age of 18 to perform hazardous work that is likely to jeopardize their health or safety, including night work or overtime.

[Explanation]

Child refers to a person who is not yet 15, the age that compulsory education is completed, or minimum age stipulated in related laws in the region they work, whichever is greatest.

Child labor refers to any kind of activity or work which, by its nature or the circumstances in which it is carried out, is harmful to the intellectual, physical, social and moral development of young people and undermines their education, preventing them from going to school, constraining them to abandon schooling too soon or requesting them to work and study at the same time.

In regard to hazardous work, companies must set a minimum working age of 18 years in all countries.

2-3. Working Hour Management

Companies must not allow workers to work exceeding the maximum working hours set by local laws and regulations, and appropriately manage working hours and days off in consideration of internationally recognized standards. In addition, companies must provide workers with at least one day (24 hours) off every 7 days.

[Explanation]

Appropriate manage refers to the following:

- Annual working days shall not exceed the maximum set by law.

- Weekly work hours including overtime shall not exceed the maximum set by law (excluding unavoidable times of disaster or emergency).
- Workers shall be allowed the right to paid annual leave, maternity leave, and childcare leave as stipulated by the law.
- Workers shall be allowed the break time stipulated by the law.
- Physical and mental health checks shall be conducted to ensure the health of workers.

2-4. Adequate Wages and Allowances

Companies must comply with all applicable laws and regulations regarding payments of work (including minimum wage, overtime payments, and allowances and deductions required by law). Furthermore, it is expected that companies pay wages at a level that allows workers to support their basic needs (a living wage).

[Explanation]

Unfair wage deductions refer to wage deductions that violate laws regarding labor, etc. For example, companies cannot deduct the cost of uniforms, personal protective equipment required for work, or the cost of cleaning uniforms from wages.

2-5. Prohibiting Inhumane Treatment

Companies must respect the human rights of workers and must not treat workers in a manner that is or may be construed inhumane, including physical and psychological abuse, coercion, or harassment.

[Explanation]

Companies are required to establish, notify workers and operate a disciplinary policy and handling procedures, and an internal reporting system (grievance mechanism) for identifying the facts of inhumane treatment.

2-6. Prohibiting Discrimination

Companies must not engage in discrimination in any employment situation. Companies must respect the traditions and practices of regions and countries they operate in and religious traditions and practices and consider requests regarding religious practices from workers where appropriate.

[Explanation]

Any employment situations refers to recruiting, applications, hiring, education, evaluations, promotions, wages, compensation, allowances, disciplinary measures, retirement, dismissal, and other employment practices.

Consider where appropriate refers to such points as having appropriate worship sites at business locations, ensuring stipulated time for worship during working time, and permitting the wearing of clothes based on doctrines, and handling religious restrictions when providing meals.

2-7. Freedom of Association and Right to Collective Bargaining

In conformance with local laws and regulations, companies shall respect the right to collective bargaining of workers and openly communicate with workers for improving working environments and wage conditions.

[Explanation]

Companies shall make it possible for workers and worker representatives to engage in collective bargaining, in which they can freely and honestly communicate their opinions and concerns related to work conditions and management practices to management without fear of discrimination, threats, or harassment.

3. Health and Safety

RBA:HEALTH AND SAFETY, JEITA:Health and Safety, GCNJ:Labor

Companies must identify and assess risks related to occupational safety and maintain safety through appropriate design, engineering, and administrative controls.

3-1. Occupational Safety

Companies must identify and assess risks regarding occupational safety and maintain safety through proper design, engineering and administrative controls. Taking reasonable steps must also be taken to protect pregnant women and nursing mothers.

[Explanation]

Example safety measures are indicated below. Companies must systematically promote such measures.

- Identifying and assessing safety hazards, including their risk of occurrence
- Designing an appropriate workplace that eliminates safety hazards and considers safety

- Implementing safety communications (including the handling of personal protective equipment)

It is also necessary to take reasonable measures to protect pregnant women and nursing mothers from conditions with high hazards. If it is necessary for a worker to nurse a child, it is desirable for a company to provide an appropriate break time for nursing or milking, and to implement measures such as providing a safe and clean place to do so, that colleagues and the general public cannot enter and cannot see.

3-2. Emergency Preparedness

Companies must identify the possibility of emergency situations by such as natural disasters or accidents that may adversely affect human life or safety, establish procedures in case of emergency to minimize harm to workers and property, install the required equipment, and conduct training and drills so that the required responses can be taken in case of emergency.

[Explanation]

Emergency plans refer to, for example, emergency reporting, communication to employees, clarifying evacuation procedures, installing evacuation equipment, ensuring easily identifiable exits without obstruction, providing appropriate exit facilities, storing medical supplies for emergency, installing fire detection systems, installing fire extinguishers, fire shutters, and sprinklers, securing external communication methods, and maintaining recovery plans.

Companies must thoroughly inform workplaces of these. To do that, companies must provide emergency training (including evacuation drills) to workers and place and store emergency procedures and other materials in the workplace in an easily accessible location.

3-3. Occupational Injury and Illness

Companies must identify, assess, record, and report the status of occupational injury and illness, and implement appropriate countermeasures and corrective actions.

[Explanation]

Appropriate countermeasures refer to systems and measures for promoting worker's reporting, classifying and recording injury and illnesses, providing medical treatment when necessary, investigating injury and illnesses, implementing corrective actions to eliminate causes, and facilitating worker's return to work. This also includes

implementing the required administrative procedures stipulated by the law and taking out industrial accident insurance.

3-4. Industrial Hygiene

Companies must identify, assess, and appropriately control the risk of workers being exposed to hazardous biological, chemical, or physical agents in the workplace.

[Explanation]

Appropriate control refers to the establishing and implementing management standards, and providing the appropriate training and personal protective equipment to workers.

3-5. Physically Demanding Work

Companies must identify and assess worker exposure to the hazards of physically demanding tasks and appropriately control such work so that it does not lead to occupational injury and illness.

[Explanation]

Physically demanding work includes long hours of work in an unnatural position, long hours of repetitive or continuous work such as data entry or assembly work that causes physical exertion, and heavy labor such as the manual handling of heavy raw materials or manual transport of heavy objects.

3-6. Machine Safeguarding

Companies must evaluate the machinery used by workers for safety hazards and provide appropriate safeguarding.

[Explanation]

Appropriate safeguarding refers to management for preventing injuries and accidents that occur during work, safety mechanisms such as failsafe, foolproof, interlock, and tagout, and protective barriers in place, as well as regular inspection and maintenance of machinery.

3-7. Health and Safety at Facilities

Companies must appropriately maintain the health and safety of facilities and accommodations provided to workers (such as dormitories, cafeterias, and toilets).

Dormitories also require appropriate emergency egress to be provided.

[Explanation]

Maintaining health and safety refers to maintaining the cleanliness and sanitation of facilities, and requires the following points to be considered.

- Drinking water: Water quality tests compliant with laws and regulations, and safe drinking water (provided by a water cooler, etc.)
- Sanitary food preparation: Clothing cleanliness and health checks for kitchen workers, pest control, temperature control of food storage, effective cafeteria business licenses, etc.
- Toilets: Clean toilet facilities of a sufficient number, providing toilet paper, etc.
- Dormitories: Fire response plan, emergency exit routes (egress), secured accommodations for storing personal items (providing lockable storage), adequate living space (3.3 m² or more per person), ventilation, temperature control, adequate lighting, etc.

3-8. Health and Safety Communication

Companies must provide training on appropriate health and safety information regarding various workplace hazards that workers are exposed to in the workplace in languages and methods that the workers can understand.

A system that enables workers to provide feedback on safety is also required.

[Explanation]

Occupational health and safety information should be clearly posted in facilities or placed in a location identifiable and accessible by workers. It also must be provided in a language that the workers can understand.

It is also encouraged that safety concerns from workers are raised. Items for training include the correct use of personal protective equipment, emergency response measures, safe operation of machinery, and preparations before entering hazardous environments.

3-9. Worker Health Management

Companies must conduct appropriate health management for all employees.

[Explanation]

Appropriate health management refers to conducting health checks at least at the

level stipulated by law, and working on the prevention and early detection of worker illness. It is also necessary to adequately consider treatment such as mental healthcare and the prevention of health problems due to overwork.

4. Environment

RBA:ENVIRONMENT, JEITA:Environment, GCNJ:Environment

Companies must actively address environmental problems such as resource depletion, climate change, and pollution, as well as address regional environmental problems considering the health and safety of its relevant local community.

4-1. Environmental Permits and Reports

Companies must obtain the permits and approvals required for conducting business as well as register and report according to local laws and regulations.

[Explanation]

Examples in Japan include the obligation to assign a manager that has obtained the qualifications stipulated by the law, such as laws on waste disposal (a specially-controlled industrial waste manager), energy saving (an energy manager in plants that use a certain level of energy), and the control of air pollution (a pollution prevention manager at plants that emit chemical substances, dust, or smoke).

Furthermore, companies may be obligated to assign a manager responsible for poisonous/ deleterious substance management, designated chemical substance management, and hazardous substance management, depending on the chemical substances used in business.

It may also be necessary to receive permission for facilities that handle hazardous substances and environmental impact assessments, depending on the type of business conducted and the location of plants.

4-2. Reducing Energy Consumption and Greenhouse Gas Emissions

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

[Explanation]

Improving energy efficiency involves minimizing energy consumption and the related scope 1 and scope 2 greenhouse gases (GHG), and companies must track and document energy efficiency at each facility or business site.

4-3. Air Emissions

Companies must comply with relevant laws and regulations and implement appropriate measures for reducing the emission of hazardous substances to the atmosphere.

[Explanation]

Hazardous substances discharged to the atmosphere include volatile organic chemicals, aerosols, corrosives, microparticles, ozone depleting substances, and combustion by-products. Companies must strive to analyze and monitor these substances prior to discharge, and only discharge them after conducting the required control and treatment based on the results of that analysis and monitoring. Program includes routine monitoring of treatment systems for the performance and the handling of substances to discharge.

4-4. Water Management

Companies must comply with laws and regulations, monitor the source, usage, and discharge of water used, and save water.

All wastewater must be tested as required, and monitored, controlled, and processed before discharge or disposal. Sources of pollution that may cause water pollution must also be identified and appropriately managed.

[Explanation]

Water management requires monitoring water sources, use, and discharge, seeking opportunities to conserve water, and controlling channels of contamination. Controlling channels of contamination includes confirming that site water channels are free from contamination and are protected from contamination (such as confirming that there are no pools of standing water and grease/oil slicks near storm drains) and that the emergency response equipment is in place (shutoff valves and stopcocks must be installed to prevent outflow or leakage of clean water and sewage due to a plant accident or natural disaster, and street inlets/sewage inlets and storage reservoirs installed to contain leaks or overflows are deemed to be insufficient), etc.

4-5. Effective Utilization of Resources and Waste Management

Companies must comply with laws and regulations and implement appropriate management in order to promote the 3Rs (reduce, reuse, and recycle), ensure the

effective utilization of resources, and minimize waste.

[Explanation]

Companies must identify and manage wastes not identified to be hazardous even when disposing, implement a systematic approach for responsible disposal or recycling, and work for reducing waste. Companies must implement measures for disposing substances according to local laws and regulations, and minimizing the disposing substances, and ensure that natural resources are not wasted. Programs include changing the production equipment at the source, using alternative materials, and reusing and recycling resources.

4-6. Chemical Substance Management

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

[Explanation]

In Japan, companies must perform management based on the Chemical Substance Control Law, Poisonous and Deleterious Substances Control Law, Industrial Safety and Health Act, Fire Service Act, and PRTR (Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management). It is also necessary to consider chemical substance management in manufacturing processes.

4-7. Managing the Chemical Substances Contained in Products

Companies must comply with all laws, regulations, and customer requests applicable to the prohibition and restriction of specific substances contained in products.

[Explanation]

Companies must also consider customer demands regarding the chemical substances contained in products.

- Companies must follow the laws and regulations of the countries where the products are sold.
- Companies must take responsibility for the components included in the end products, and upstream companies must provide the required information to

downstream companies.

For example, when exporting to the EU, the relevant laws and regulations include the RoHS Directive and the REACH Regulation. It is also necessary to consider the substances that are added, contaminated, or adhere during the manufacturing process.

4-8. Biodiversity conservation

Companies must evaluate the impact that business activities have on the ecosystem and work to minimize the negative impact.

[Explanation]

Companies must ascertain and identify risks to the ecosystem both on and off the premises of such locations as offices and production sites and work to undertake biodiversity preservation activities. For work that employs natural resources derived from forests, oceans, terrestrial and freshwater ecosystems, living organisms, etc., companies must work to minimize the negative impact on those ecosystems. Companies must also contribute to the preservation of biodiversity by providing products and services that contribute to solutions to various environmental problems.

5. Fair Trading and Ethics

RBA:ETHICS, JEITA:Fair Trading and Ethics, GCNJ: Fair business practices

Companies must comply with laws and regulations of countries and regions they conduct business and internationally recognized standards and conduct business activities based on high ethical standards.

5-1. Preventing Corruption

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

[Explanation]

Companies must uphold a policy of prohibiting any and all forms of bribery, excessive entertainment or gifts, corruption, blackmail, or embezzlement, and maintain continuous compliance. Continuous compliance requires not only establishing policy, but also appropriately training employees and continuing to ensure that policy is implemented.

5-2. Prohibiting Inappropriate Provision and Improper Benefit

Companies must not provide or accept any promises, propositions, or approvals as a means of obtaining bribes or any other illicit or inappropriate benefit.

When there is a conflict between the interests of individuals and the interests of the company, companies must not engage in conflicts of interest that harm the interests of the company and benefit the interests of individuals.

[Explanation]

Companies are prohibited from directly or indirectly providing or receiving something valuable, or promising or proposing to do so, in order to gain business or obtain inappropriate benefit. It is necessary to clarify policies and procedures and monitor in order to comply with laws regarding the preventing of corruption.

5-3. Fair Information Disclosure

Companies must disclose information regarding labor, health and safety, environmental activities, business activities, organizational structure, financial situation, and performance according to applicable laws and regulations and industry practices. Falsification of records or the disclosure of false information is not allowed.

[Explanation]

Companies are required to actively provide and disclose information to stakeholders. The information to provide and disclose to stakeholders includes the details of business activities, financial situation, ESG (environmental, social, and governance) information, risk information (such as damage due to large-scale disasters, adverse impacts on the environment and society, and the discovery of significant legal violations), and information regarding the supply chain. Disclosing information on critical risks in a timely manner, and communicating to customers are also one of the examples actively providing information. Companies are not allowed to tamper records, misrepresent information, or disclose false information.

5-4. Respecting Intellectual Property

Companies must respect intellectual property rights and the transfer of technology and expertise must be performed in a manner where intellectual property is protected. Companies must also protect the intellectual property of third parties such as customers and suppliers.

5-5. Conducting Fair Business

Companies must engage in fair business, competition, and advertising.

[Explanation]

Companies must comply with laws regarding fair business, including fair competition and subcontract law, and must not conduct illegal acts such as cartel agreements to restrict competition, unfair business practices, or misleading representation. It is also necessary to avoid forces that pose a threat to the order and safety of civil society, and comply with laws, regulations, and all social standards. In the catalog presentations and advertising of products and services, companies must not express untruths or mislead consumers and customers, and must also make sure not to include information that slanders or infringes the rights of other companies or individuals.

5-6. Protecting Whistleblowers

Companies must protect the confidentiality of information regarding whistleblowing and the anonymity of whistleblowers, and avoid retaliations towards whistleblowers.

[Explanation]

Whistleblowing refers to reporting or disclosing unfair practices in one's company or supply chain.

Whistleblower refers to a person who reports or discloses inappropriate activity by an employee or director of a company or a public official or public institution.

5-7. Responsible Minerals Procurement

Companies must exercise due diligence to ensure that the minerals such as tantalum, tin, tungsten, and gold contained in its products manufactured do not cause or contribute to serious human rights abuses, environmental destruction, corruption, or disputes in Conflict-Affected and High-Risk Areas.

[Explanation]

There are concerns that minerals, such as tantalum, tin, tungsten, and gold, excavated in the Democratic Republic of the Congo, surrounding countries, and high-risk regions could be used as a source of funds for armed forces in conflict regions or encourage violations of human rights and labor problems, such as child labor and

forced labor, through the improper excavation and transactions involving those minerals. Companies must procure goods from refineries designated as not being a party to the problem by internationally trustworthy initiatives, such as RMI,* which is one way for companies to fulfill their social responsibility within the supply chain.

* RMI: Responsible Minerals Initiative

More than 400 companies and organizations throughout the world in more than ten industries participate in the initiative as organizations that provide leadership for initiatives related to responsible mineral procurement.

6. Quality and Safety

JEITA:Quality and Safety, GCNJ:Quality and safety

Companies must ensure the safety and quality and provide correct and accurate information on provided products and services.

6-1. Ensuring Product Safety

Companies must fulfill their responsibility as a supplier by ensuring that products meet safety standards stipulated by national laws and conduct design, manufacturing, and sales to ensure adequate product safety.

[Explanation]

When companies design products, they must ensure adequate product safety and consider their responsibility as a manufacturer when providing products. Effective measures for ensuring product safety include management such as traceability (history of materials, components, and processes, etc.) and swift handling to solve problems.

6-2. Quality Management

Companies must comply with their own quality standards and customer requirements in addition to all laws and regulations applicable to the quality of products and services.

[Explanation]

Companies must comply with all laws and regulations that apply to the quality of products and services, and are also required to establish appropriate frameworks and management systems for complying with their own quality standards and customer

requirements.

6-3. Providing Accurate Information on Products and Services

Companies must provide correct and accurate information on products and services that will not cause misunderstandings.

[Explanation]

Companies are required to provide information to customers and consumers that is correct, accurate and does not lead to misunderstandings. They must not provide false information or information that has been falsified.

7. Information Security

RBA:ETHICS, JEITA:Information Security, GCNJ:Information security

Companies must prevent leaks of confidential information and personal information, and enhance information security.

7-1. Defense from Cyber Attacks

Companies must implement protective measures against threats such as cyber attacks and conduct management to prevent damage to the company and others.

[Explanation]

Companies are required to prevent trouble caused by cyber attacks, such as the leak or modification of information and the stopping of information systems. Since attackers can expand their target of attack based on customer and client information they obtain, the scope of damage from cyber attacks is not limited to the company in question. The devices subject to cyber attacks are expanding from conventional computers and servers to industrial systems and devices part of the IoT (Internet of Things), and countermeasures must also be implemented for such devices. It is also important to establish a plan for quickest recovery from a remedy of cyber attack. Plans include data back up and redundancy of data server or data center.

7-2. Protecting Personal Information

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

[Explanation]

Companies are required to comply with local laws and regulations to carefully handle the personal information of suppliers, customers, consumers, and employees. Personal information must only be collected, stored, processed, transmitted, and shared within the scope required to achieve the specified purpose it is used for.

7-3. Preventing Leak of Confidential Information

Companies must appropriately manage and protect the confidential information not only of their own but also received including from customers and third parties.

[Explanation]

Companies are required to establish an appropriate framework and management system for managing the confidential information collected by the company or received from third parties. This includes defining information management levels and employee training.

8. Business Continuity Planning

JEITA:Business Continuity Planning, GCNJ: CSR-related corporate governance

Companies must make preparations to ensure that they can quickly resume business activities in order to fulfill their responsibility of supply in the event that the company or a business partner becomes a victim of such as a large-scale natural disaster.

8-1. Developing and Preparing a Business Continuity Plan

Companies must identify and assess risks to business continuity, examine their impact on the business, and establish preparatory measures required in the medium to long term and a business continuity plan (BCP) that indicates the status of those initiatives.

[Explanation]

Business continuity risks include large-scale natural disasters (such as earthquakes, tsunamis, floods, heavy rainfall, heavy snowfall, and tornadoes) as subsequent power outages, water outages, and traffic obstructions, accidents (such as fires or explosions), the spread of infectious and contagious diseases, and terrorism or riots. Advance countermeasures required include local recovery strategies indicating how to protect, mitigate, and recover the various elements of production sites from estimated damage. It is also important to secure alternative methods of recovery from

damage when it takes longer than expected.

Companies must provide continuous training to employees so that they can act in the event of an actual disaster, and establish a manual for quickly recovering business according to a business continuity plan (BCP).

9. Coexistence with local communities

GCNJ:Harmonious coexistence with local communities

In addition to respecting the history, culture, traditions, practices, and religion of countries and regions throughout the world, companies must actively work to communicate with the residents of countries and regions they conduct business and contribute to the development and sustainability of local communities.

10. Constructing management system

RBA:MANAGEMENT SYSTEMS, JEITA:Establishing a Management System

Companies must construct a management system to achieve the various items in these guidelines.

10-1. Establishing a Management System

Companies must construct a management system and continually work to improve that system through the proper operation of the system in order to comply with these guidelines.

10-2. Supplier Management

Companies must communicate the requirements included in these guidelines to suppliers and establish a process for monitoring adherence to supplier standards.

[Explanation]

Companies must fulfill responsibilities related to not only their own CSR response but also that of their supply chain that are the same as those of the company. Therefore, companies must communicate requirements included in these guidelines to their suppliers, monitor the state of compliance, and encourage improvements.

10-3. Proper Import/Export Control

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

[Explanation]

Companies must understand and comply with the various national laws and regulations for importing and exporting. Technologies and goods regulated by law refer to components, products, technologies, equipment, and software subject to import/export control according to laws and regulations based on international agreements, etc. (such as the Wassenaar Arrangement). It may be necessary to obtain permission, etc. from the competent authorities regarding importing and exporting.

10-4. Disclosing the Activities

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

[Explanation]

Companies must not only disclose information as stipulated by the law, etc., but also disclose information regarding efforts for these guidelines to stakeholders including customers.