

CSR Procurement Guidelines

We, at the JAPEX Group, set out our CSR Procurement Guidelines that illustrate specific actions to fulfill our corporate social responsibility in procurement activities in concert with our suppliers. We sincerely ask our suppliers to understand and cooperate with us in making efforts aligned with these guidelines.

1. Respect for human rights

- ✧ Do not abuse human rights or discriminate against anyone on the basis of their gender, age, nationality, race, skin color, culture, customs, religion, sexual orientation, disability, or other grounds.
- ✧ Do not engage in forced labor, child labor, human trafficking, illegal employment, and any similar acts.
- ✧ Do not conduct any discrimination or harassment. Respect individuals' diverse values, personalities, and privacy.

2. Employee-friendly work environment

- ✧ Always strive to ensure our employees' physical and mental health and occupational safety and to prevent occupational accidents by taking safety measures as necessary.
- ✧ Pay proper wages and allowances to employees, and ensure fair labor conditions for employees, such as working hours and various types of leave.
- ✧ Seek to provide fair opportunities for employees to receive talent development programs and advance their careers.
- ✧ Respect employees' freedom of association, their freedom to join a labor union, and their freedom to protest.

3. Environmental conservation

- ✧ Set a voluntary target to reduce greenhouse gas (GHG) emissions and strive to achieve the target on an ongoing basis.
- ✧ Examine how business affects ecosystems directly or indirectly, and seek to minimize adverse effects on biodiversity.
- ✧ Properly manage chemical substances used in manufacturing processes, products, and services, preferentially use environmentally friendly products, and appropriately manage and reduce waste.

4. Fair corporate activities

- ✧ Set up an appropriate management system to comply with laws and regulations governing

business activities.

- ✧ Resolutely confront anti-social forces and ensure the exclusion of any relationships with them.
- ✧ Comply with anti-bribery laws and regulations in Japan and abroad. Never conduct any acts with the government and administrative authorities that could mislead the public into believing that such acts are payoffs or collusive relationships with them.
- ✧ Comply with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Unfair Competition Prevention Act, and the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors of Japan as well as the competition laws of other countries, and ensure fair trade.

5. Ensuring safety and quality

- ✧ Establish a management system to ensure the safety and quality of products and services so that users can use them with peace of mind.
- ✧ In case of any failure or defect in any of products or services, take a collective action, closely cooperate with divisions and departments involved, and deal with the problem while promptly sharing information with them.

6. Information security

- ✧ Take security measures to prevent information assets from being falsified, destructed, and leaked, and to manage and maintain the assets in an appropriate and secure way.
- ✧ Be aware that intellectual property (e.g., patents, copyrights, and trademarks) is an important asset, and appropriately manage it.
- ✧ Pay great attention to the handling of confidential information, personal information, and client information. Allow only authorized persons to use such information solely for business purposes. Handle in the same way the confidential information disclosed by a third party.

7. Supply chain

- ✧ Put first the fair and equal selection of suppliers and subcontractors, and build healthy and trusting relationships with them.
- ✧ Eliminate unfair competitions and abuses of dominant bargaining position, and enter transactions under fair conditions.
- ✧ Use raw materials and services that are free from the involvement of disputes, crimes, and human rights abuses.

8. Harmony with local communities

- ✧ In offering products and services, respect the traditions and customs of countries and local communities and communicate well with local communities.
- ✧ Build a safety management system and form a community response team braced for emergencies such as natural disasters and fires, as well as harmonizing with local communities in a sustainable way.