

Supplier CSR Guidelines

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I. Introduction

In recent years, due to the globalization of the market, the environment surrounding companies has diversified.

Under such circumstances, expectations are increasing toward the Fulfilling of corporate social responsibility and the producing and providing of safe and high-quality products in a safe manner.

Within this environment, the mission of the Company is to “provide customers from all over the world with products that we are passionate about through the use of fascinating technologies and contribute to the development of the future of society..” Accordingly, we have worked to build mutual understanding and relationships of trust with all our stakeholders (our customers, employees, business partners, shareholders, local communities, and others).

In addition, due to changes in society, increased interest is being shown toward CSR initiatives along the entire supply chain.

In response to these developments we have issued the “Supplier CSR Guidelines.

Through these Guidelines, we aim to perform proactive CSR activities in tandem with our business partners to make the development of society in the future sustainable.

We kindly ask our business partners to understand the purpose of these Guidelines and, together with implementing them within your companies, also request your suppliers perform CSR activities.

II. Basic Procurement Policy

Our corporate philosophy is to “provide customers from all over the world with products that we are passionate about through the use of fascinating technologies and contribute to the development of the future of society.” In order to achieve this mission, we are developing our business activities not only together with the customers who use our products, but also with our employees who make our products and with our many business partners who cooperate with us.

To that end, the Purchasing Department cultivates global business partners who excel in quality, costs, delivery times, technologies, the environment, and ethical procurement. We start trading with suppliers that actively engage in activities

III. Supplier CSR Guidelines

These Guidelines compile common items related to CSR in order for our business partners to become trusted companies that understand and promote CSR.

We hope you will utilize these Guidelines for your company's CSR activities.

1. Safety / Quality

1.1 Providing products that meet the needs of customers (clients/consumers)

Understand the needs of customers (clients/consumers) and develop and provide socially useful products.

*Socially useful products are, for example, products that are easy for anyone to use, regardless of age, gender, disability, etc., or products that are kind to the planet, such as through energy conservation, resource conservation, or environmental conservation.

1.2 Providing appropriate information regarding products and services

Provide appropriate information on products and services to clients and consumers.

1.3 Ensuring the safety of products and services

Produce and provide products that meet the safety laws and regulations established in each country and region.

1.4 Ensuring product quality

Build and operate company-wide mechanisms to ensure quality.

2. Human rights / Labor

2.1 Eliminating discrimination

Do not discriminate on the basis of race, ethnicity, nationality of origin, religion, gender, etc. in any employment situation.

* Any employment situation refers to applications, hiring, promotions, wages, dismissals, assignments of work, and punishments.

2.2 Respect for human rights

Do not allow any form of harassment in the workplace based on race, ethnicity, nationality, religion, gender, etc.

* Harassment refers to inhumane treatment such as sexual harassment, power harassment (harassment and intimidating acts of abusive language), abuse, and corporal punishment.

2.3 Prohibition of child labor

Do not allow children under the legal working age of each country/region to work.

2.4 Prohibition of forced labor, modern slavery and human trafficking

Ensure that all labor is voluntary and that employees are free to leave, and do not engage in forced labor, slave labor or human trafficking.

2.5 Wages

Comply with the laws and regulations of each country or region regarding minimum wages, overtime work, deductions, wages and other benefits.

* Minimum wages refers to the level set by wage-related laws and regulations in your country.

2.6 Working hours

Comply with the laws of each country or region regarding the determination of employee working hours (including overtime work), the provision of holidays and annual paid leave, and others.

2.7 Freedom of Association and collective bargaining

The right of employees to freely associate or not to associate is recognized based on the laws and regulations of each country / region.

In addition, company shall discuss and discuss matters related to each other in the workplace, such as wages and other working conditions, in good faith with employees and / or with representatives of employees through individual and / or collective bargaining.

2.8 Safe and healthy working environments

Place a top priority on ensuring the safety and health of employees in their work and strive to prevent accidents and disasters.

2.9 Human resource development

Support the career development and ability development of employees through human resource development.

2.10 Responding to conflict minerals

If the use of conflict minerals is investigated and the concern over the use of such minerals is found, make efforts to avoid their usage.

* Conflict minerals are mineral resources mined in the Democratic Republic of the Congo and neighboring countries and are allegedly involved in the financing of armed forces and human rights violations in conflict areas.

* Applicable minerals: tantalum, tin, gold, tungsten

* Even in the case of substances other than the applicable minerals, if it is found that they are used in unethical supply chain procurement, endeavor to avoid their usage.

3. Environment

3.1 Environmental management

In order to promote a wide range of environmental activities, together with complying with the laws of each country or region, construct company-wide management systems which are continuously operated and improved.

3.2 Reduction of greenhouse gas emissions

To contribute to the prevention of global warming, manage greenhouse gas emissions in business activities and promote activities for their reduction.

Also work to effectively use energy.

3.3 Prevention of air, water, soil, and other environmental pollution

Comply with the laws and regulations of each country or region regarding the prevention of air, water, soil, and other pollution, and continuously monitor and reduce pollutants to prevent environmental pollution.

3.4 Resource saving and waste reduction

Together with reducing the consumption of natural resources (water, energy, etc.), comply with the laws and regulations of each country or region regarding the proper treatment and recycling of waste, and work to reduce final waste disposal amounts through the effective use of resources.

3.5 Chemical substance management

Safely manage chemical substances that may pollute the environment.

Ensure products do not contain chemical substances prohibited by the laws of each country/region in such countries/regions.

Do not use prohibited chemical substances in manufacturing processes. Regarding chemical substances designated by the laws and regulations of each country or region, monitor the amount of emissions and report to the government in accordance with such laws.

4. Compliance

4.1 Compliance with laws and regulations

Comply with the laws of each country and region.

Develop and implement company-wide policies and systems, action guidelines, whistleblowing systems, education, etc. for thorough compliance.

4.2 Compliance with competition laws

Complying with the competition laws of each country/region (such as the Antitrust Law and Subcontract Act in Japan), do not commit acts such as private monopoly, unfair trade restrictions (cartels, bid rigging, etc.), unfair trading methods, abuse of superior status, or other such acts.

- * A cartel refers to making agreements with other companies in the same industry regarding the price, quantity, sales area, etc. of products.
- * Bid rigging refers to making agreements with other bidders on the winning bidder and winning bid.
- * Abuse of superior status refers to using the position of purchaser or consignor to unilaterally determine/change transaction conditions with business partners or impose unreasonable demands/duties.

4.3 Anti-corruption

Make political contributions and donations based on the laws of each country or region and strive to establish sound and normal relationships with politics and government.

Do not engage in any conflict of interest transactions or entertain, give or receive money or gifts to or from business partners for the purpose of obtaining and maintaining unfair profits or preferential treatment.

4.4 Protection from whistleblowing and reporting

Together with creating an environment that facilitates whistleblowing, protect whistleblowing activities, as legitimate acts, from unfavorable handling, such as dismissal by the business operator.

4.5 Management and protection of confidential information

The personal information of customers/suppliers/third parties/company employees and the confidential information of customers/suppliers/third parties should be obtained by a legitimate method, strictly managed, and used within an appropriate scope and protected.

4.6 Export transaction management

Perform appropriate export procedures and management regarding the export of technologies and goods that are regulated by the laws and regulations of each country or region.

- * The technologies and goods that are regulated by the laws and regulations of each country or region refers to parts, products, technologies, equipment, software, etc. that are regulated for export by laws and regulations based on international agreements.

4.7 Protection of intellectual property

Protect the intellectual property rights owned by or belonging to your company, and do not illegally obtain or use the intellectual property of third parties or infringe such rights.

- * Infringement of intellectual property rights means the infringement of patent rights, utility model rights, design rights, trademark rights, copyrights, etc. This includes illegal copying of computer software and other copyrighted materials and the acquisition and use of third-party trade secrets by illegal means.

5. Information Disclosure

5.1 Disclosure of information to stakeholders

Disclose information such as financial status, business performance, and details of business activities to stakeholders as appropriate, and strive to maintain and develop mutual understandings and trust with stakeholders through open and fair communication.

6. Risk Management

6.1 Risk management system

Establish and operate a company-wide management system by analyzing risks related to corporate business behavior.

6.2 Formulation of business continuity plan

Develop a Business Continuity Plan (BCP) for an early recovery in the event of a disaster or accident.

* BCP means a plan to build the necessary structures, such as planning, training and reviewing, and pursue business continuity in the event of a disaster or accident so important business or work will not be interrupted, and, even if interrupted, will be resumed early.

7. Contributing to Society

7.1 Contributing to the community

Continue with activities that create a better future for society, including activities in local communities where offices are located.

8. In-house and Business Partner (Supplier) Development

8.1 In-house structure and development of CSR activities

In-house, establish company-wide policies and systems, action guidelines, education, and other such structures for CSR deployment and operate appropriately.

8.2 Structures/development of CSR activities from in-house to suppliers

Strive to understand the actual status of CSR activities at your suppliers, and, if necessary, support and cultivate such activities.

8.3 Initiatives and policies for suppliers

When building good relationships with suppliers, establish internal rules, perform ongoing just and fair initiatives, and strive take the initiative and be a model company.

IV. Supplier Voluntary Inspections

All business partners must perform voluntary inspections (diagnoses) and improvements in relation to CSR initiatives.

Therefore, please use these Guidelines as a reference.

【Internal Regulations】

Internal regulation 1. You must not receive any personal benefits from a supplier in relation to purchasing activities.

Moreover, this is specifically defined as follows.

- (1) Excluding events set by the Company, dinner entertainment received from suppliers is prohibited
- (2) Excluding events set by the Company, golf, travel, etc. with suppliers is prohibited
- (3) The receiving of gifts from suppliers is prohibited
- (4) The receiving of money (including congratulatory money), checks, and gift certificates from suppliers is prohibited
- (5) The acquisition of unlisted stocks of suppliers and stocks based on insider information is prohibited
- (6) Provision of benefit through product discount by the supplier is prohibited
- (7) Receiving other personal benefits is prohibited

End