

Marubun Corporation
Supply Chain Sustainable Procurement
Guidelines

January 2024, 2nd Edition

MARUBUN CORPORATION

Introduction.

In recent years, the environment surrounding companies has been diversifying and changing dramatically with the globalization of corporate activities and the maturation of the information society. In addition, society is increasingly interested in companies' proactive efforts toward the formation of a sustainable society, such as climate change countermeasures and the SDGs (Sustainable Development Goals).

In this social environment, the Marubun Group has redefined its corporate philosophy system in FY2022. We have defined our corporate mission as "contributing to the realization of a better future through technology," and have set forth our Vision, Mission, and Values as our specific initiatives. These values, which can be described as our Charter of Corporate Behavior, declare that in developing our global business in Japan and overseas, we will comply with laws and social norms, strive to build relationships of mutual cooperation and trust with our business partners, and fulfill our corporate social responsibility (CSR) by responding flexibly to the demands of society. We also declare that we will fulfill our Corporate Social Responsibility (CSR) by responding flexibly to the demands of society.

Today, when CSR implementation and contribution to a sustainable society are required, the scope of responsibility for labor, environment, corporate ethics, etc. in the manufacturing process of products is not limited to the company concerned, but now extends to the entire supply chain, including parts suppliers and even raw material suppliers. The responsibility for labor, environment, corporate ethics, etc. in the manufacturing process is no longer limited to the company in question. If a problem occurs in any part of the supply chain, the company will be excluded from the market and society, and the very survival of the company will be at risk. Therefore, we, as a supplier, are required to take a high-level approach to the environment, human rights, labor, and corporate ethics. Furthermore, our supply chain, which is upstream of our company, is also required to take these initiatives.

We ask for the understanding and cooperation of all suppliers involved in Marubun's business in the importance of promoting sustainability.

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These Guidelines are a reorganization of Responsible Business Conduct Guidelines established by Japan Electronics and Information Technology Industries Association (JEITA) in March 2023.

Supply Chain Sustainable Procurement Guidelines

CONTENTS

Section 1: Code of Conduct

1. Respecting the Laws and Internationally Recognized Standards.....	5
2. Human Rights and Labor.....	5
(2-1) Prohibiting Forced Labor	
(2-2) Prohibiting Child Labor and Respecting the Rights of Young Workers	
(2-3) Decent Working Hours	
(2-4) Adequate Wages and Allowances	
(2-5) Prohibiting Inhumane Treatment	
(2-6) Prohibiting Discrimination	
(2-7) Freedom of Association and Right to Collective Bargaining	
3. Health and Safety.....	6
(3-1) Occupational Safety	
(3-2) Emergency Preparedness	
(3-3) Occupational Injury and Illness	
(3-4) Industrial Hygiene	
(3-5) Physically Demanding Work	
(3-6) Machine Safeguarding	
(3-7) Health and Safety at Facilities	
(3-8) Health and Safety Communication	
(3-9) Worker Health Management	
4. Environment.....	6
(4-1) Environmental Permits and Reports	
(4-2) Reducing Energy Consumption and Greenhouse Gas Emissions	
(4-3) Air Emissions	
(4-4) Water Management	
(4-5) Effective Utilization of Resources and Waste Management	
(4-6) Chemical Substance Management	
(4-7) Managing the Chemical Substances Contained in Products	
5. Fair Trading and Ethics.....	7
(5-1) Preventing Corruption	
(5-2) Prohibiting Inappropriate Provision and Improper Benefit	
(5-3) Fair Information Disclosure	
(5-4) Respecting Intellectual Property	
(5-5) Conducting Fair Business	

(5-6) Protecting Whistleblowers	
(5-7) Responsible Minerals Procurement	
6. Quality and Safety.....	8
(6-1) Ensuring Product Safety	
(6-2) Quality Management	
(6-3) Providing Accurate Information on Products and Services	
7. Information Security.....	8
(7-1) Defense from Cyber Attacks	
(7-2) Protecting Personal Information	
(7-3) Preventing Leak of Confidential Information	
8. Business Continuity Planning.....	9
(8-1) Developing and Preparing a Business Continuity Plan	
Section 2: Establishing a Management System.....	10
A. Establishing a Management System	
B. Supplier Management	
C. Proper Import/Export Control	
D. Establishing a Grievance Mechanism	
E. Disclosing the Activities	

Section 1 Code of Conduct

1 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

2 Human Rights and Labor

Companies must respect the rights of workers in line with international human rights standards including the ILO core labor standards in addition to complying with relevant laws and regulations.

(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.

(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.

(2-3) Decent Working Hours

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.

(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).

(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. Companies must also provide workers with individually secured accommodations for storing their personal and valuable items, and a reasonable personal space along with reasonable entry and exit privilege.

(2-6) Prohibiting Discrimination

Companies must not engage in discrimination or harassment. Companies must also consider requests from workers regarding religious practices where appropriate.

(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.

3 Health and Safety

In addition to complying with relevant laws and regulations, Companies must take consideration of standards such as ILO health and safety guidelines to minimize injury and illness in the workplace and maintain a safe and healthy working conditions.

(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.

(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.

(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.

(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.

(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.

(3-6) Machine Safeguarding

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

(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.

(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.

(3-9) Worker Health Management

Companies must conduct appropriate health management for all employees.

4 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.

(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.

(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.

(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.

(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.

(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.

(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.

5 Fair Trading and Ethics

Companies must conduct business activities based on high ethical standards in addition to compliance with the law.

(5-1) Preventing Corruption

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

(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.

(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.

(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.

(5-6) Protecting Whistleblowers

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

(5-7) Responsible Minerals Procurement

Companies must 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.

6 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

(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.

(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.

7 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.

(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.

(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.

8 Business Continuity Planning

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.

Section 2 Establishing a Management System

A Establishing a Management System

Companies must establish a management system in order to comply with the code of conduct in Section 1.

B Supplier Management

Companies must establish a process for communicating the requirements of the code of conduct in Section 1 to suppliers and monitoring supplier compliance.

C 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.

D Establishing a Grievance Mechanism

Companies must establish a grievance mechanism that can be used by stakeholders including workers and suppliers in order to prevent illicit behavior in their inside as well as throughout the supply chain.

E Disclosing the Activities

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