

TOMOEGAWA

# **Sustainable Procurement Guidelines**

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**TOMOEGAWA CORPORATION**

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## Introduction

Tomoegawa Corporation aims to contribute to the sustainable growth of society. To this end, we promote sustainable procurement activities, whereby corporate social responsibility (CSR) activities are extended throughout the entire supply chain in cooperation with our suppliers and contractors.

## Structure and Positioning of these Guidelines

These Guidelines consist of the Basic Procurement Policy and the Sustainable Procurement Standards, based on the ideas of Tomoegawa's Basic Sustainability Policy. These Guidelines are applied to the procurement activities of Tomoegawa Corporation when we procure any goods or services necessary for our business activities by means of purchasing, leasing, or otherwise. Therefore, the Guidelines shall not only be applied to the procurement activities of procurement departments, but also to all departments of Tomoegawa Corporation. The Guidelines, however, do not apply to the procurement of funds (financing).

Furthermore, these guidelines are also matters that we, as a company, request our suppliers to follow, on the basis of internationally recognized standards and the laws of respective countries, and matters that are mutually required of companies by society.

We ask our suppliers to fully understand these guidelines and to implement their contents, and request your understanding and cooperation toward the further strengthening of Tomoegawa's sustainable procurement activities.

## Tomoegawa's Basic Sustainability Policy

Tomoegawa Corporation has continued to, and will continue to contribute to the realization of a sustainable "better world (society, environment, and governance)", through "maximizing profit by way of customer satisfaction through the launch of new products and new technology" on the basis of our founding principles of "integrity", "social contribution", and "pioneering spirit".

1. Initiatives toward Social Issues

By creating new value through products that confront social issues, we strive toward the improvement of corporate values, and solutions to social issues through business.

2. Initiatives toward Environmental Issues

We strive toward conservation of the global environment through measures such as changing our business portfolio via the contraction of the energy-intensive paper manufacturing business, offering environmentally-conscious products, and reducing CO<sub>2</sub> emissions.

3. Initiatives toward Respecting Human Rights and Maximizing the Value of Human Talent

We respect human rights and diversity through the entire supply chain, and strive to maintain a workplace environment where everyone can work with ease and pride, and a system for nurturing human talent.

## Basic Procurement Policy

In order for Tomoegawa Corporation to be trusted and selected by all our stakeholders, first and foremost by our customers and suppliers, we fulfill our corporate social responsibilities within our procurement activities.

- We fairly and impartially enter into communication with all suppliers and contractors.
- We comply with domestic and overseas laws and regulations, and conduct fair business transactions based on corporate ethics.
- We strictly control all information obtained through procurement activities.
- We work to conserve the environment and reduce our environmental impact.
- We pursue quality, cost, and delivery in order to meet the needs of the market.
- We work to foster mutual cooperation and build relationships of trust with suppliers and contractors.
- We promote sustainable procurement throughout the entire supply chain.

\*The Sustainable Procurement Standards were compiled as a restructured version of the Responsible Business Conduct Guidelines (March 2023) issued by JEITA (Japan Electronics and Information Technology Industries Association).

## Sustainable Procurement Standards

### 1. Legal Compliance and Respect for Internationally Recognized Standards

**In addition to strict compliance with the laws and regulations of Japan and the countries in which we conduct business, we also respect internationally recognized standards.**

In recent years, respective countries have enacted and enforced various laws, regulations and policies in relation to the environment, human rights, corruption, and other issues. It is crucial to understand and comply with these laws. Some laws and regulations apply not only domestically, but also in other regions, which necessitates caution. In addition, in line with the globalization of the supply chain and the market, we are required to comply with laws and regulations and respect international recognized standards throughout the supply chain, not only within our company.

“Internationally recognized standards” refers to expectations for socially responsible business practices, guided by customary international law, generally-accepted principles of international law, and universally or near-universally accepted intergovernmental agreements (including conventions and treaties).

This corresponds to documents such as, for example, the “Guiding Principles on Business and Human Rights” and the “Sustainable Development Goals (SDGs)” of the United Nations, the “Guidelines for Multinational Enterprises” of the OECD (Organization for Economic Co-operation and Development), and the “Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy” (MNE Declaration) of the ILO (International Labour Organization).

## **2. Human Rights and Labor**

In addition to compliance with the relevant laws and regulations, we refer to international human rights standards, including the ILO's Core Labor Standards (CLS), and respect the human rights of workers.

### **2-1 Prohibition of Forced Labor**

**Any use of labor that is obtained through forced or bonded labor, inhumane prison labor, slavery, or human trafficking, is prohibited. Furthermore, no form of employment can be forced, and we respect the right of workers to retire or terminate their own employment.**

"Forced labor" refers to labor provided by a person or persons against their own will (involuntarily), under the threat of penalty.

It is prohibited to transport, harbor, recruit, transfer, or receive persons by means of threat, coercion, abduction or fraud. In addition, the act of making workers pay fees in order to work is also considered to be forced labor. Furthermore, the act of carrying out forced labor by converting such fees into debt is also prohibited.

### **2-2 Prohibition of Child Labor and Respect for the Rights of Young Workers**

**We do not employ or allow work by children who are under the minimum working age governed by local laws and regulations. Furthermore, we do not allow young workers under the age of 18 to perform hazardous work that may jeopardize their health or safety.**

"Child labor" refers to any activities or duties that damage the intellectual, physical, social, or moral development of a young person due to the nature or conditions of execution of such work; or work that makes school attendance impossible, forces the child to leave school, or otherwise disrupts the child's educational opportunities or healthy development by requiring dual engagement in work as well as study.

Child labor is prohibited in all situations by the ILO and the laws of respective countries. Within the category of child labor, the "Worst Forms of Child Labor" require urgent and immediate action. These are defined in ILO Convention No. 182 (1999) as the following four types of work.

- Slavery, or any similar practices
- The use of children in prostitution, the creation of pornography, or obscene performances, or as an intermediary of the above; or to provide any of the above
- The use of children in illegal activities, particularly manufacturing or trafficking of illegal drugs, or as an intermediary of the above; or to provide any of the above
- Work of a nature that harms, or may harm, the health, safety or morals of a child, or work that is carried out under circumstances that risk the occurrence of any of the above

"Hazardous work" refers to the following.

- Work that exposes children to physical, psychological or sexual abuse
- Work carried out underground, underwater, at dangerous heights or in confined spaces
- Work that uses dangerous machinery, equipment or tools, or that involves the manual

- handling or transport of heavy loads
- Work carried out in unhealthy environments (for example, exposing children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations that may damage their health)
- Work carried out under particularly difficult conditions such as working for long hours or during the night, or work where the child is unreasonably confined to the premises of the employer

## 2-3 Consideration of Working Hours

**Workers must not be allowed to work in excess of the limits provided for in local laws and regulations. Furthermore, we appropriately manage workers' working hours and days off in consideration of international standards.**

We appropriately assign working hours, days off, and leave, on the basis of each country's laws and regulations. In addition, we also take international standards into consideration. For example, ILO Conventions (No. 14, No. 106) provide for the granting of a minimum of one day off (at least 24 hours) every seven days. The RBA (Responsible Business Alliance), an international organization for corporate social responsibility in the electronics industry, stipulates maximum working hours, including overtime, of 60 hours per week.

"Appropriate management" refers to the following.

- Ensuring that the number of prescribed working days per year does not exceed the legal limit
- Ensuring that the number of working hours per week, including overtime, (excluding disasters, other unavoidable emergencies or unusual situations) does not exceed the legal limit
- Granting the right to annual paid leave, maternity leave, and childcare leave provided for in laws and regulations
- Granting the right to break times provided for in laws and regulations
- Conducting physical and mental health examinations to protect the health of workers.

## 2-4 Appropriate Wages and Allowance

**We comply with all laws and regulations that apply to remuneration paid to workers (including minimum wages, overtime wages, and legally obligated allowances and payroll deductions). In addition, we take into account the level of wage that is required to support workers' daily living needs (living wage).**

"Minimum wage" refers to the lowest level of wage stipulated in the wage-related legislation of the country of employment. Employers must pay workers an amount equal to or greater than the minimum wage. Furthermore, as a voluntary corporate initiative, employers are expected to give consideration to a "living wage" as the amount of money estimated to be needed to maintain a basic standard of living, separately to the statutory minimum wage.

## 2-5 Prohibition of Inhumane Treatment

**We respect the human rights of workers. Workers must not be subject to inhumane treatment such as emotional or physical abuse, coercion, harassment, or any actions that may result in the above.**

In addition to establishing disciplinary policies and response procedures, in order to ascertain the facts of any inhumane treatment, it is vital to introduce and consistently operate an internal whistleblowing system (grievance mechanism), and to widely publicize the existence of this system among workers.

“Emotional abuse” refers to the infliction of mental or emotional harm through acts of psychological violence toward another person such as, for example, the use of inhumane speech or harassment, silent treatment, or verbal attacks on the other party’s self-esteem. “Physical abuse” refers to violence or work carried out in a brutal environment.

## 2-6 Prohibition of Discrimination

**Acts of discrimination and harassment are prohibited. Furthermore, we are careful to consider appropriate boundaries with regard to requests from workers relating to religious customs.**

Any acts of potential discrimination with regard to wages, promotions, remuneration, education, recruitment, or employment practices, made on the basis of race, skin color, age, sex, sexual orientation, gender identity or gender expression, ethnicity or nationality, disability, pregnancy, religion, affiliated political party or political views, union membership or non-membership, military service record, protected genetic information, or marital status, are prohibited. Furthermore, any loss of equal opportunities or fair treatment that results from procedures such as health checks or pregnancy tests is also act of discrimination.

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

**We respect workers’ rights to organize, as a means of implementing labor-management discussions related to the working environment, wage levels, and other issues, in compliance with local laws and regulations.**

In addition to respecting the right of all workers to form or join a labor union of their choice, the right of workers to refrain from participating in such activities must also be respected. Furthermore, workers or their representatives must be able to voluntarily engage in collective bargaining with management, with the aim of honest communication regarding their opinions and concerns about working conditions and management practices, without fear of discrimination, retaliation, threats, or harassment.



### **3. Health and Safety**

In addition to compliance with the relevant laws and regulations, we pay attention to the ILO's health and safety guidelines. Furthermore, it is necessary to minimize the occurrence of injuries and physical or mental illness among workers during their work duties by taking initiatives to maintain a safe and sanitary working environment.

#### **3-1 Occupational Safety**

**We identify and evaluate risks to occupational safety, and ensure safety through appropriate planning, technology, and management methods. In particular, we give appropriate consideration to the safety of pregnant women and nursing mothers.**

It is necessary to identify safety hazards in the workplace and their risk of occurrence, and implement safety measures toward workers. Examples of safety hazards in the workplace include contact with chemical substances, electricity or other energy sources, fire, vehicular accidents, and fall hazards.

In addition, it is vital to protect pregnant women and nursing mothers from hazardous conditions and to provide reasonable accommodations for their safety.

#### **3-2 Emergency Preparedness**

**We prepare for emergency situations, such as disasters or accidents that could cause loss of life or physical safety, and identify such situations including potential occurrences. We establish action procedures to follow in times of emergency in order to minimize damage to workers and property, install necessary equipment, and carry out training and drills to ensure that such actions are correctly followed during disasters.**

"Emergency planning" refers to, for example, emergency reporting, communication to workers, clarifying evacuation procedures, installing evacuation equipment, ensuring easily identifiable exits without obstruction, providing appropriate exit facilities, storing medical supplies for emergency use, installing fire detection systems, installing fire extinguishers, fire shutters, and sprinklers, securing external communication methods, and maintaining recovery plans. It is also necessary to disseminate emergency plans within the workplace. This involves, for example, providing emergency training (including evacuation drills) to workers, and placing or posting information on emergency procedures in an easily accessible location in the workplace.

#### **3-3 Occupational Injury and Illness**

**We identify, assess, record and report the conditions of workers who suffer occupational injury or occupational illness, and take appropriate countermeasures.**

When a worker suffers occupational injury or occupational illness, we are required to record the situation, provide any necessary treatment, investigate injuries, identify and eliminate causes and implement preventative measures, and to take all proper corrective steps including monitoring

and reporting. In addition, provisions to facilitate the worker's return to the workplace are also required, as well as reporting on the implementation of such provisions.

### 3-4 Industrial Hygiene

**We identify, assess, and appropriately control the risk of workers' exposure to hazardous biological, chemical, or physical substances in the workplace.**

The risk of hazard must be eliminated, or controlled, through appropriate planning, engineering and operational management. In cases where hazards cannot be managed appropriately by taking such steps, workers must be provided with appropriate PPE (personal protective equipment) that is properly maintained and managed, and must use the said PPE correctly.

### 3-5 Consideration of Physically Demanding Work

**We identify and assess physically demanding work tasks, and appropriately manage such tasks so that they do not result in occupational injury or occupational illness.**

"Physically demanding work" refers not only to load-bearing tasks such as the manual handling of raw materials or manual transportation of heaving loads, but also includes physically demanding assembly work, repetitive or consecutive tasks over a long period such as data entry, and other tasks that involve maintaining an unnatural posture for long periods of time.

### 3-6 Machine Safeguarding

**We assess the safety risks of machinery used by workers during their duties, and implement appropriate safety measures.**

"Appropriate safety measures" refers to management for the purpose of preventing the occurrence of accidents and health hazards during work. This includes, for example, employing safety mechanisms such as fail-safe, fool-proof, interlock and tag-out, installing safety devices and safety barriers, and implementing regular inspections and maintenance of machinery.

### 3-7 Health and Safety at Facilities

**We appropriately ensure health and safety at facilities provided for workers' daily living (dormitories, cafeterias, toilets, etc.). In addition, we ensure that there are appropriate emergency exits at dormitories.**

In order to ensure health and safety, in addition to maintaining the cleanliness and hygiene of facilities, the following points must also be considered.

- Drinking water: Water quality testing that conforms with laws and regulations; Safe drinking water (water servers, etc.)
- Hygienic meal provision: Appropriate clothing and health checks for food preparation staff, pest control, temperature control of foodstuffs, certification of cafeteria operators
- Toilets: Sufficient number of clean toilet facilities in relation to worker numbers; provision of toilet paper, etc.

- Dormitories: Fire control, emergency evacuation routes (exits), secure storage facilities for personal belongings (provide lockers with keys), sufficient room size (minimum of 3.3m<sup>2</sup> per person), ventilation, temperature control, appropriate lighting, etc.

### 3-8 Health and Safety Communication

**We provide appropriate health and safety information, training, and drills in relation to various hazards that workers may potentially be exposed to, using languages and methods that workers can understand. In addition, we establish a mechanism that allows workers to give feedback and opinions related to safety.**

It is necessary to provide appropriate information, training and drills on workplace health and safety, in relation to workplace hazards that workers may be exposed to (including, but not limited to, mechanical, electrical, chemical, fire, and physical hazards).

Health and safety information must be clearly displayed within the facilities, or placed in a location identifiable and accessible by workers, and must be provided in languages that workers can understand.

Training and drills must be provided to all workers before commencing work, and at regular periods thereafter. In addition, workers are encouraged to raise any safety concerns, and training and drills shall include topics such as the correct use of PPE (personal protective equipment), emergency countermeasures, safe operation of machinery, and preparations before entering hazardous environments.

### 3-9 Worker Health Management

**We provide appropriate health management toward all workers.**

“Appropriate health management” refers to conducting health checks at the level stipulated by laws and regulations, as a minimum, and to aim toward prevention and early detection of illness among workers. In addition, ample consideration must be given to care of mental health and prevention of damage to health through overwork.

## 4. Environment

Corporations are required to proactively tackle global environmental issues such as exhaustion of natural resources, climate change, and environmental pollution, in addition to paying attention to localized environmental issues in their regions of involvement, with consideration for maintaining the health and safety of the local community.

### 4-1 Environmental Permits and Reports

**We are required to obtain permits and approval necessary for business operations and to comply with registration and reporting requirements, in accordance with the laws and regulations that apply in the location of business.**

In Japan, laws such as the Waste Disposal Act, the Act on the Rational Use of Energy, and the Air Pollution Control Act obligate us to appoint managers with specific qualifications stipulated by laws and regulations. In addition, depending on the chemical substances used in business, we may be obligated to appoint a manager responsible for control of poisonous and deleterious substances, control of designated chemical substances, or control of hazardous substances. In some cases, depending on business type or factory location, we may also be required to obtain environmental impact assessments or government approval for facilities that handle hazardous substances.

### 4-2 Reducing Energy Consumption and Greenhouse Gas Emissions

**We are required to work toward improving energy efficiency, and to take continuous initiatives to reduce energy consumption and greenhouse gas emissions.**

“Improving energy efficiency” refers to minimizing energy consumption, the related Scope 1 (greenhouse gases directly emitted by a company) and Scope 2 (greenhouse gases indirectly emitted by using electricity, heat, or steam provided by another company) greenhouse gas (GHG) emissions. We are required to track and document energy consumption and GHG emissions at each facility or business office.

### 4-3 Air Emissions

**We comply with relevant laws and regulations, and implement appropriate measures in order to reduce emissions of hazardous substances to the atmosphere.**

Hazardous substances emitted to the atmosphere include volatile organic compounds, aerosols, corrosives, particulates, ozone-depleting substances, and byproducts of combustion. We are required to make efforts to analyze and monitor these substances prior to emission, and only allow emission after conducting necessary control and treatment based on the results of such analysis and monitoring. Countermeasures include regular monitoring of the handling of emitted substances and the performance of treatment systems.

#### 4-4 Water Management

**We comply with laws and regulations, monitor the source, usage, and discharge of water used, and practice water-saving. We also monitor, control, and process all wastewater before discharge or disposal, labelling water characteristics when necessary. Furthermore, we identify and appropriately manage potential sources of pollution that may lead to water contamination.**

In water management, we are required to monitor water sources, usage, and discharge, and conserve water and control channels of contamination.

Controlling channels of contamination includes ensuring that site water channels are free from contamination and are protected from contamination (e.g. no stagnant water or fat deposits in the vicinity of storm drain pipes) and that emergency response equipment is correctly installed (e.g. shutoff valves and stopcocks must be installed to prevent outflow or leakage of clean water or sewage, including pollutants, due to factory accidents or natural disasters; street inlets or storage reservoirs installed to contain leaks or overflows are not considered sufficient).

#### 4-5 Efficient Use of Resources and Waste Disposal

**By complying with laws and regulations and implementing appropriate management, we promote the 3Rs (reduce, reuse, and recycle), plan towards efficient use of resources, and keep generation of waste to a minimum.**

We are required to identify and manage waste even when disposing of waste not identified as hazardous, to implement a systematic approach for responsible disposal or recycling, and work towards reducing waste. It is also necessary to implement measures for disposing of substances according to the laws and regulations of the location of business, and to ensure that natural resources are not wasted by minimizing their disposal. Measures to achieve this include changing production equipment at the source, using alternative materials, and reusing and recycling resources. We also establish voluntary targets in order to comply with laws and regulations. "Natural resources" refers to water, fossil fuels, minerals, virgin forest, the products of virgin forest, etc. The prevention of environmental pollution leads to conservation of natural resources, and is closely related to the sustainability of the planet.

#### 4-6 Chemical Substance Management

**We comply with laws and regulations to identify, label, and control chemical and other substances that are hazardous to humans or the environment, and manage accordingly to ensure the safe handling, transport, storage, use, recycling, reuse, and disposal of such substances.**

Within Japan, we are required to manage substances on the basis of the Chemical Substances Control Law, the Poisonous and Deleterious Substances Control Law, the Industrial Health and Safety Act, the Fire Services Act, and the PRTR (Pollutant Release and Transfer Register). Additionally, careful management of chemical substances during the manufacturing process is also necessary.

#### **4-7 Managing Chemical Substances Contained in Products (Tomoegawa Green Procurement)**

**We comply with all laws, regulations, and relevant Tomoegawa Group standards that apply to the prohibition and restriction of specific substances contained in products.**

We follow the relevant Tomoegawa Group standards in relation to substances contained in products, in addition to the laws and regulations of products' countries of origin and destination. Since producers of end products must also bear responsibility for the components included in end products, upstream companies in the supply chain are required to provide the necessary information to downstream companies. For details, please refer to the "Tomoegawa Green Procurement Standards".

#### **4-8 Natural Resources and Biological Diversity**

**During procurement of raw materials, we avoid or minimize impact on biological diversity, and work toward the sustainable use of natural resources.**

When using natural resources such as those derived from forests, oceans, or living creatures, we must avoid the use of resources that have been illegally extracted, cultivated, or traded. In addition, we are also expected to give consideration to resource conservation when using raw materials, including from the perspective of controlling deforestation and forest degradation. Furthermore, due to the potential for business activities to affect various organisms and their habitats, we are also expected to mitigate any adverse impacts. When there is a possibility that rare plants or animals are being used, steps such as checking the raw materials, their origin, and the existence of relevant regulations and resource conservation measures can be considered to mitigate the impact on biological diversity.

## 5. Fair Business and Ethics

In addition to legal compliance, we conduct our business activities on the basis of high ethical standards.

### 5-1 Preventing Corruption

**All forms of bribery, corruption, blackmail, and embezzlement are prohibited.**

We maintain a policy of absolute prohibition of acts of bribery, excessive gifts or entertainment, blackmail, and embezzlement, and require continuous compliance. Continuous compliance means not only the establishment of such policies, but also requires appropriate education and training of employees as well as continuous and thorough policy implementation.

### 5-2 Prohibiting Provision and Acceptance of Inappropriate Benefits

**It is prohibited to provide or accept bribes or any other promises, offers, or permissions as a means to obtain unfair or inappropriate benefits.**

It is prohibited to directly or indirectly provide or receive items of value (money, goods, or services), or to promise or offer to do so, in order to secure business or to obtain inappropriate benefits. We are required to clarify and monitor our policies and procedures for compliance with laws and regulations related to corruption prevention.

### 5-3 Appropriate Disclosure of Information

**We disclose information related to labor, health and safety, environmental activities, business activities, our organizational structure, financial situation and performance in accordance with applicable laws and regulations and industry practices. We do not allow the falsification of records or the disclosure of false information.**

We are required to proactively provide and disclose information to stakeholders. Information provided and disclosed to stakeholders includes the details of business activities, financial situation and performance, ESG (environmental, social, and governance) information, risk and incident information (such as damage caused by large-scale disasters, adverse impacts on the environment or society, or discovery of significant violations of law, etc.), and information regarding the supply chain. Timely disclosure of information on major risks and notifying customers are also examples of proactively providing information. With regard to such information, acts such as falsification of records, misrepresentation of information, or disclosure of false information are not permitted.

## 5-4 Respecting Intellectual Property

**We respect intellectual property rights. The transfer of technology and knowledge must be carried out in a form that protects intellectual property. In addition, we also protect the intellectual property of customers, suppliers, and other third parties.**

The protection of intellectual property applies not only to our own company, but includes that of customers, suppliers, and other third parties.

“Intellectual property” includes trade secrets and technical know-how in addition to intellectual property rights. “Intellectual property rights” are rights stipulated by laws and regulations, and include patent rights, utility model rights, design rights, trademark rights, and copyrights.

## 5-5 Fair Business Practices

**We carry out fair business, fair competition, and fair advertising.**

We comply with laws and regulations regarding fair business practices, including fair competition and subcontracting laws, and must not engage in illegal acts such as cartel agreements to restrict competition, unfair business practices, or misleading representations. In addition, we are required to eliminate any forces that threaten the order or safety of civic life, and to comply with laws, ordinances and all other societal norms. When presenting products or services in catalogs or other advertising, we do not make factually incorrect statements or other words that mislead consumers and customers. Furthermore, we must take care to ensure that no content that slanders or infringes the rights of other companies or individuals is included in advertising materials.

## 5-6 Protecting Whistleblowers

**We are required to protect the confidentiality of reported information and the anonymity of whistleblowers, and eliminate acts of retaliation against whistleblowers.**

“Disadvantageous treatment” refers to harassment and other acts that damage the working environment, and changes to working conditions such as unfair performance evaluation, remuneration, dismissal, or reassignment.

## 5-7 Responsible Minerals Procurement

**We check that the minerals contained in our manufactured products are in no way connected or complicit in serious violations of human rights, environmental destruction, corruption, or conflict, in conflict-affected regions and high-risk areas.**

“Due diligence” in relation to responsible minerals procurement refers to establishing policies, communicating expectations to suppliers (and incorporating such expectations in contracts where possible), identifying and assessing risks in the supply chain, and establishing and implementing strategies to tackle identified risks. The OECD’s “Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas” is an internationally-recognized document regarding due diligence in responsible minerals procurement.



## 6. Quality and Safety

**We ensure the safety and quality of our products and services, and provide accurate information on safety and quality.**

### 6-1 Product Safety

**We ensure that our products meet safety standards provided for in the laws and regulations of respective countries, and fulfill our responsibilities as suppliers by ensuring sufficient product safety in design, manufacturing, and sales.**

We are required to ensure adequate product safety in the product design process, and to consider our responsibility as a manufacturer in the sale of products. We must also consider the safety that the product should ordinarily provide, in addition to legal compliance. Within Japan, product safety is governed by laws such as the Electrical Appliances and Material Safety Act, the Consumer Products Safety Act, and the Household Goods Quality Labeling Act, and safety standards are defined in the detailed regulations of domestic laws and in the Japanese Industrial Standards (JIS). Furthermore, overseas safety standards include the UL, BSI, and CSA standards. Effective measures for ensuring product safety include management of traceability (history of materials, components, and processes, etc.) and swift responses toward problem resolution.

### 6-2 Quality Management

**We are required to comply with in-house quality standards and the Tomoegawa Group's quality requirements, in addition to compliance with all laws and regulations that apply to the quality of products and services.**

It is necessary to establish appropriate frameworks and management systems for complying with in-house quality standards and the Tomoegawa Group's quality requirements, in addition to compliance with local laws and regulations that apply to the quality of products and services.

### 6-3 Providing Accurate Information on Products and Services

**The information we provide on products and services is accurate, and will not lead to misunderstanding.**

It is necessary to provide information to customers and consumers that is accurate and does not lead to any misunderstandings. We must not provide false information or information that has been misrepresented.

## **7. Information Security**

**We prevent leakage of confidential information or personal information, and implement reinforcement of information security.**

### **7-1 Defense from Cyber Attacks**

**We establish defensive measures to counteract cyber attacks and other threats, and manage our systems to prevent harm occurring to ourselves or to third parties.**

We are required to prevent trouble caused by cyber attacks, such as leakage or manipulation of information, or the crashing of information systems. Attackers may be able to expand their target of attack using the customer and client information they obtain, which means that the scope of damage from cyber attacks will not be limited to ourselves. Due to the ongoing broadening of device categories subject to cyber attacks, from conventional computers and servers to industrial systems and IoT (Internet of Things) devices, countermeasures must also be implemented for such devices. It is vital to establish a plan for prompt recovery in the event of a cyberattack. Measures should include, for example, backing up important data, and duplicating servers and data centers.

### **7-2 Protecting Personal Information**

**We comply with relevant laws and regulations and appropriately manage and protect all personal information, including that of our suppliers, customers, consumers, and employees.**

We are required to comply with the laws and regulations of each country and carefully handle all personal information, including that of our suppliers, customers, consumers and employees. Personal information must only be collected, stored, modified, transferred, shared or otherwise processed within the extent necessary to achieve the specified purpose of use.

### **7-3 Preventing Leakage of Confidential Information**

**We appropriately manage and protect not only our own confidential information, but also confidential information received from customers and other third parties.**

It is necessary to establish an appropriate framework and management system for managing confidential information received from third parties, as well as our own. This includes setting information management levels, in addition to worker education and training.

“Confidential information”, in general, refers to information disclosed in documents that have been agreed to be confidential, or information disclosed orally with a verbal notification that the information is confidential.

## **8. Business Continuity Planning**

Companies must make preparations to ensure swift resumption of production activity if the company or a contractor is affected by a disaster, such as a large-scale natural disaster, in order to fulfill the company's supply responsibilities.

### **8-1 Developing and Preparing a Business Continuity Plan**

**We identify and assess risks that could impede business continuity, and formulate a Business Continuity Plan (BCP) that includes a detailed examination of the impact on the business, necessary preparatory countermeasures in the mid-to-long term, and the current status of such initiatives.**

Risks that could impede business continuity include large-scale natural disasters (such as earthquakes, tsunamis, floods, heavy rainfall, heavy snowfall, and tornadoes) and accompanying power outages, water stoppages, disruption to transportation, accidents (such as fires or explosions), the spread of epidemic or infectious diseases, and terrorism or riots.

Preparatory countermeasures include local recovery strategies for how to protect, mitigate, and recover the various elements at each production base from anticipated damage. It is vital to plan to secure alternative means of production, with the assumption that recovery from damage will be a prolonged process.

We are also required to formulate a manual for the swift resumption of business, in accordance with the details stated in the BCP, in the event that business is actually disrupted, and to provide continuous training and drills to employees so that they can respond during actual disasters.

## **9. Establishing a Management System**

**We aim to establish a management system in order to ensure correct compliance with these Guidelines.**

### **9-1 Establishing a Management System**

**The following cautions apply to the establishment of a management system.**

- Do we comply with laws, regulations, and client requirements related to our business and products?**
- Are our actions consistent with the contents of these Guidelines?**
- Do we identify and mitigate risks in relation to the contents of these Guidelines?**
- Can we anticipate continuous improvements through the above actions?**

A “management system” refers to establishing a framework for continuous improvements through the Plan-Do-Check-Action (PDCA) cycle in relation to policy compliance, implementation systems, corrective actions, and stakeholder engagement. Specifically, it includes corporate commitment, management accountability and responsibility, legal requirements and customer requirements, risk identification and management, improvement targets, education and training, communication, worker feedback, participation and grievance filing, assessment and audit of identified risks, corrective action processes, documentation and records.

The OECD’s “Due Diligence Guidance for Responsible Business Conduct” (RBC) is a set of due diligence guidelines in relation to all corporate conduct. The following six processes are indicated in this guidance.

- Incorporate RBC in corporate policies and management systems
- Identify actual and potential adverse impacts on RBC issues
- Terminate, prevent and mitigate adverse impacts
- Track and assess implementation and results
- Communicate how impacts are addressed
- When appropriate, give summaries of how corrections are implemented

“Due diligence” is a process that corporations should carry out in order to identify, prevent, mitigate and fulfill accountability for how they address actual and potential adverse impacts in business operations, their supply chain, and other business relationships. Effective due diligence should be supported by efforts to incorporate responsible business conduct (RBC) in corporate policies and management systems, and aims to correct any adverse impacts that are caused by, or facilitated by the corporation.

## 9-2 Management of Suppliers

**We communicate the requirements of these Guidelines to our suppliers. In addition, we aim to establish processes for monitoring the status of suppliers' compliance with these requirements.**

Corporations are required to assume the same level of accountability for corporate social responsibility (CSR) within their supply chain as in-house CSR. Therefore, it is necessary to communicate the requirements of these Guidelines to suppliers, monitor their status of compliance, and encourage improvements.

## 9-3 Proper Import and Export Controls

**We maintain a clear management system for the import and export of technologies and goods regulated by local laws and regulations, and carry out appropriate import and export procedures.**

We are required to understand and comply with various national laws and regulations related to importing and exporting. "Technologies and goods regulated by laws and regulations" refers to goods, products, technologies, equipment, and software subject to import and export controls in laws and regulations based on international agreements (such as the Wassenaar Arrangement). In addition, in some cases we may be required to carry out procedures including obtaining permission from the competent authorities regarding importing and exporting.

## 9-4 Establishing Grievance Mechanisms

**In order to prevent violation of these Guidelines within our company and our supply chain, we establish grievance mechanisms that can be used by stakeholders, including workers and suppliers.**

In order to comply with these Guidelines, in addition to due diligence, it is important to establish grievance mechanisms in which reports from stakeholders, including workers and suppliers, can be received, responded to and rectified, and victims can be helped, and also to facilitate a continuous process of addressing such issues. In cases where it is difficult to establish an in-house mechanism, an alternative method is to participate in a collective grievance mechanism.

Engagement and dialog with stakeholders, including whistleblowers, is fundamental to dealing with grievances. In order for a grievance mechanism to function effectively, it is useful to promote understanding among stakeholders who may become whistleblowers, to conduct awareness surveys to confirm the level of understanding, and to participate in continuous improvement through advice and suggestions from concerned parties and specialists. "Grievance mechanism" refers to a framework that enables concerned parties to report acts that are suspected of violating these Guidelines, and to promote corrective actions. During the grievance process, whistleblowers must not be subject to disadvantageous treatment.

## Revision History

Edition No.	Date of Enactment / Date of Revision	Contents / Reason
1st Edition	<a href="#">January 1, 2024</a>	Newly enacted